

THIS IS AN IMPORTANT DOCUMENT

AND REQUIRES YOUR ATTENTION

If you are in any doubt as to how to deal with it,
please consult your financial or other professional adviser.

STELLAR RESOURCES LIMITED

ABN 96 108 758 961

(‘Stellar’ or ‘Company’)

NOTICE OF ANNUAL GENERAL MEETING

and

EXPLANATORY STATEMENT

The annual general meeting will be held:

- at Level 7, 530 Little Collins Street, Melbourne 3000;
- on 14 November 2008 at 10.30am.

You can vote by:

- attending and voting at the meeting; or
- appointing someone as your proxy to attend and vote at the meeting on your behalf, by completing and returning the proxy form to Stellar in the manner set out in the proxy form. The proxy form must be received by the Share Registry of Stellar no later than 10.30am on 12 November 2008.

STELLAR RESOURCES LIMITED
ABN 96 108 758 961

NOTICE OF ANNUAL GENERAL MEETING

The annual general meeting of the members of **Stellar Resources Limited** will be held:

- on **Friday, 14 November 2008**
- at **10.30am**
- at the registered office, **Level 7, 530 Little Collins Street, Melbourne 3000**

1. RESOLUTIONS

A. Financial statements and reports

To table the following statements and reports and provide members with the opportunity to raise any issues or ask questions generally of the directors concerning those financial statements or the business operations of the Company:

- (a) the financial report of the Company and controlled entities for the year ended 30 June 2008;
- (b) the directors' report; and
- (c) the independent auditor's report thereon.

B. Ordinary resolutions

To consider and, if thought fit, to pass the following resolutions each as an ordinary resolution:

Resolution 1: Adoption of Remuneration Report

“**THAT** the Remuneration Report for the year ended 30 June 2008 be adopted.”

Resolution 2: Re-election of Director

“**THAT** Christopher G. Anderson, a director retiring in accordance with clause 57.3 of the Company's constitution, being eligible for re-election and having signified his candidature for the office, be re-elected as a director of the Company.”

Resolution 3: Re-election of Director

“**THAT** Thomas J. Burrowes, a director retiring in accordance with clause 57.3 of the Company's constitution, being eligible for re-election and having signified his candidature for the office, be re-elected as a director of the Company.”

Resolution 4: Approval of previous issue of shares

“**THAT**, in accordance with Listing Rules 7.4 and 7.5 of the Listing Rules of ASX Limited, the issue on 16 September 2008 of 7,142,857 fully paid ordinary shares in the capital of the Company is hereby ratified and approved.”

2. VOTING RESTRICTION

Resolution 4

For the purposes of resolution 4, the Company will disregard any votes cast by:

- (a) a person who participated in the issue; and
- (b) an associate of that person.

However, the Company need not disregard a vote in respect of resolution 4 if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3. VOTING ENTITLEMENT

The Directors of the Company have determined that the shareholding of each member for the purposes of ascertaining voting entitlements for the Annual General Meeting will be as it appears on the Register of Members at 7.00pm (Melbourne time) on 12 November 2008.

4. HOW TO VOTE

Shareholders entitled to vote at the Annual General Meeting may vote by attending the Meeting in person, by attorney or proxy or, in the case of corporate shareholders, by a corporate representative.

5. VOTING IN PERSON OR BY ATTORNEY

Shareholders or their attorneys wishing to vote in person should attend the Meeting. Persons are asked to arrive at least 30 minutes prior to the time the Meeting is to commence, so that their shareholding may be checked against the register and their attendance recorded. Shareholders intending to attend the Meeting by attorney must ensure that they have, not later than 48 hours prior to the time the Meeting is to commence, provided the original or a certified copy of the power of attorney to the Company, in the same manner prescribed below for the giving of proxy forms to the Company.

6. VOTING BY PROXY

- (a) Shareholders wishing to vote by proxy must complete, sign and deliver the enclosed personalised proxy form or forms, in accordance with the instructions on the form, prior to 10.30 am Melbourne time on 12 November 2008 by:
 - Post in the reply paid envelope provided
 - Hand delivery to: Stellar Resources Limited C/- Link Market Services Limited, Level 12, 680 George Street Sydney NSW 2000 or
 - Fax to: Stellar Resources Limited C/- Link Market Services Limited on +61 2 9287 0309.
- (b) A shareholder who is entitled to vote at the meeting may appoint:
 - (1) one proxy if the shareholder is only entitled to one vote; or
 - (2) one or two proxies if the shareholder is entitled to more than one vote.
- (c) If a shareholder appoints one proxy, that proxy may vote on a show of hands. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
- (d) Where the shareholder appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not do so, each proxy may exercise one-half of the votes, and any fraction of votes will be disregarded.
- (e) A proxy need not be a shareholder of the Company. In the case of joint holders, all should sign the proxy form. In the case of corporations, proxies must be executed in accordance with the *Corporations Act 2001*.
- (f) To be valid, a proxy form signed under a power of attorney must be accompanied by the signed power of attorney, or a certified copy of the power of attorney.
- (g) You are encouraged when completing the proxy form to direct the proxy by indicating a vote for either "For" or "Against" or "Abstain". If the abstention box for the item of business is marked, the proxy will be directed not to vote on a show of hands or on a poll and the relevant shares will not be counted in calculating the required majority on a poll. If no box is marked, the proxy will not have been directed as to how to vote and may therefore vote as he or she thinks fit, or abstain from voting.
- (h) If the proxy form is signed by the shareholder but does not name the proxy or proxies in whose favour it is given, or the proxy does not attend the Annual General Meeting, the chairperson of the Meeting may either act as proxy or complete the proxy by inserting the name of one or more Directors or the Company Secretary.
- (i) The chairperson of the Annual General Meeting, the company secretary or any directors of the Company intend to vote all undirected proxies from shareholders (who are eligible to vote in favour of the Resolutions) in favour of the Resolutions to be voted on at the Annual General Meeting. The chairperson, the company secretary or any directors will not vote any undirected proxies from shareholders ineligible to vote in favour of the Resolutions.
- (j) If you require an additional proxy form, the Company will supply it on request to the undersigned.

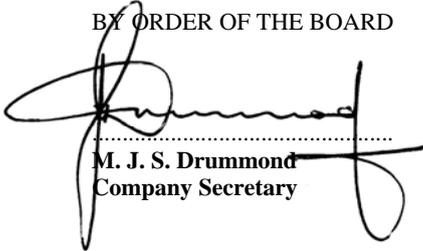
7. VOTING BY CORPORATE REPRESENTATIVE

Corporate shareholders wishing to vote by corporate representative should:

- (a) obtain an appointment of corporate representative form from the Registry;
- (b) complete and sign the form in accordance with the instructions on it; and
- (c) bring the completed and signed form with them to the Annual General Meeting.

DATED 7 October 2008

BY ORDER OF THE BOARD



.....
M. J. S. Drummond
Company Secretary

STELLAR RESOURCES LIMITED
ABN 96 108 758 961

EXPLANATORY STATEMENT

1. INTRODUCTION

The purpose of this Explanatory Statement is to provide shareholders with an explanation of the business of the meeting and the Resolutions proposed to be considered at the Annual General Meeting on 14 November 2008 and to assist shareholders in determining how they wish to vote on those Resolutions. This Explanatory Statement should be read in conjunction with the Notice of Meeting and forms part of the Notice of Meeting.

2. BUSINESS OF THE MEETING - SUMMARY

a. To table the financial statements of the Company for the period ended 30 June 2008 and to give the members the opportunity to raise issues and ask questions generally concerning the financial statements or business operations of the Company.

b. To consider and vote on the following ordinary resolutions:

Resolution 1-- to adopt the Remuneration Report;

Resolution 2 – to re-elect Christopher G. Anderson as a Director;

Resolution 3 – to re-elect Thomas J. Burrowes as a Director; and

Resolution 4 – to approve a previous issue of shares.

3. WHY THE MEETING IS BEING HELD

a. Financial Statements and Reports

The Board is required to lay before the meeting the financial statements, Directors' report and independent auditor's report for the year ended 30 June 2008.

Copies of the financial statements and abovementioned reports are contained in the Annual Report for the Financial Year ended 30 June 2008 which has been lodged with ASX and is available for shareholders to access and download from the Company's website www.stellarresources.com.au.

Shareholders can also request a printed copy of the Annual Report by telephoning the Company Secretary, Mr Melvyn Drummond on (+61 3) 9909 7618. Shareholders who have previously opted in writing to receive a hard copy of the Annual Report will receive it in the mail with this Notice of Meeting.

The chairperson of the meeting will take shareholders' questions and comments about the management of the Company. The auditor of the Company will be available to take shareholders' questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements or the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the meeting, written questions to the auditor about the content of the auditor's report or the conduct of the audit of the annual financial report to be considered at the meeting may be submitted not later than five business days before the meeting to:

The Company Secretary
Stellar Resources Limited
Level 7, 530 Little Collins Street
Melbourne Victoria 3000

Facsimile: +61 3 9909 7621

E-mail: mel.drummond@stellarresources.com.au

Copies of any questions received will be made available at the meeting. The chairperson of the meeting will allow the auditor to answer written questions submitted to the auditor before the meeting. If the auditor has prepared a written answer to a question, the chairperson of the meeting may permit the auditor to table that written answer. A written answer tabled at the meeting will be made reasonably available to members as soon as practicable after the meeting.

Shareholders are not required to pass any resolution in relation to the financial statements and reports (other than Resolution 1 being the adoption of the Remuneration Report for the year ended 30 June 2008).

b. Resolution 1 – Adoption of Remuneration Report for year ended 30 June 2008

The Remuneration Report forms part of the statutory Annual Report for the year ended 30 June 2008 which is available for shareholders to access and download from the Company's website www.stellarresources.com.au. The Remuneration Report sets out the remuneration policy of the Company and reports the remuneration arrangements in place for the executive Directors, other specified executives and the non-executive Director.

The Company is required by the *Corporations Act 2001* to put to the vote at the annual general meeting a resolution that the Remuneration Report be adopted. But, it should be noted, the vote on this resolution is advisory only and does not bind the Directors or the Company. Accordingly, the Company will not be required to alter any arrangements detailed in the Remuneration Report, should the Report not be adopted. However, notwithstanding the strict legal position, the Board has determined that it will take the outcome of the vote into account when considering the remuneration practices and policy of the Company.

Before calling for votes in relation to this resolution, the chairperson of the meeting will allow a reasonable opportunity for the members present to ask questions about, or make comments on, the Remuneration Report.

The Directors make no voting recommendation to shareholders in relation to this resolution.

c. Resolution 2 - Re-election of Christopher G. Anderson as a Director

Clause 57.1 of the Company's constitution provides that, at the close of each annual general meeting, one third of the Directors (or, if their number is not a multiple of three, then the number nearest to but not more than one third of the Directors) must retire from office. The Directors retire by rotation, with the Director(s) who have been the longest in office since being appointed or re-appointed being the Director(s) who must retire in any year. There being only four Directors, this provision only requires one Director to retire by rotation. However, clause 57.3 of the constitution provides that a Director must retire from office at the conclusion of the third annual general meeting after the Director was last elected, even if his or her retirement results in more than one third of all Directors retiring from office. Mr Anderson was last re-elected at the 2005 annual general meeting and must therefore retire at the conclusion of the 2008 annual general meeting. Under clause 57.4, a retiring Director is entitled to offer himself for re-election as a Director at the annual general meeting which coincides with his retirement.

Mr Anderson is 53 and has been an executive Director of the Company since 10 December 2004. He is an exploration consultant with 30 years of experience in mineral exploration programs both in Australia and overseas. He is a graduate of Adelaide University, with an Honours degree in geophysics and geology. Further details of Mr Anderson's qualifications and experience are contained in the Directors' Report forming part of the 2008 Annual Report

Mr Anderson will retire in accordance with the requirements of the Company's constitution at the close of the annual general meeting. As he is entitled to, and eligible for, re-election, he seeks re-election as a Director of the Company at the meeting.

The Directors (other than Mr Anderson) recommend that you vote in favour of this resolution. Mr Anderson makes no recommendation to shareholders.

d. Resolution 3 - Re-election of Thomas J. Burrowes as a Director

As stated above in relation to Resolution 2, normally only one Director would be required by clause 57.1 of the constitution to retire by rotation at the annual general meeting of the Company. However, clause 57.3 of the constitution provides that a Director must retire from office at the conclusion of the third annual general meeting after the Director was last elected, even if his or her retirement results in more than one third of all Directors retiring from office. Mr Burrowes was also last re-elected at the 2005 annual general meeting and must therefore retire at the conclusion of the 2008 annual general meeting. Under clause 57.4, a retiring Director is entitled to offer himself for re-election as a Director at the annual general meeting which coincides with his retirement.

Mr Burrowes is 54 and has been a Director of the Company, and its Chairman since 10 December 2004. He has had extensive experience in all facets of Australian exploration and mining over the past 16 years. He holds a graduate honours degree in economics and a MBA from the University of Melbourne. Further details of Mr Burrowes's qualifications and experience are contained in the Directors' Report forming part of the 2008 Annual Report

Mr Burrowes will retire in accordance with the requirements of the Company's constitution at the close of the annual general meeting. As he is entitled to, and eligible for, re-election, he seeks re-election as a Director of the Company at the meeting.

The Directors (other than Mr Burrowes) recommend that you vote in favour of this resolution. Mr Burrowes makes no recommendation to shareholders.

e. Resolution 4 – Approval of a previous issue of shares

Summary of proposal

On 12 September 2008, the Directors announced to ASX that they had arranged to place 7,142,857 new ordinary shares with an institutional investor to raise \$1,000,000 of new capital for the Company. The Company stated that the funds raised were intended to

be directed principally to a drilling program at the Tarcoola Iron Ore Project, designed to test a number of hematite targets, previously defined by ground gravity, and the lateral extent of associated magnetite mineralisation within the Coolybring deposit. The Company issued these shares on 16 September 2008 for a price of 14 cents per share.

When the subject shares were issued, they comprised approximately 9.17% of the total number of ordinary shares of the Company on issue. Accordingly, they were able to be issued by the Company without having to obtain prior shareholder approval.

Legal and Regulatory Requirements

ASX Listing Rule 7.1

Under Listing Rule 7.1, the prior approval of the shareholders of the Company is required to an issue of equity securities if the securities, when aggregated with securities issued by the Company during the previous 12 months, exceeds 15% of the number of securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that, where a company in general meeting ratifies a previous issue of equity securities, the issue will be treated as having been made with the requisite approval for the purpose of Listing Rule 7.1, thereby enabling the company to issue further securities without exceeding the 15% in 12 months limitation. This would allow the Company to raise further capital without the delay involved with the requirement to seek prior shareholder approval, so that the Company could readily take advantage of opportunities as and when they arise.

If approved, Resolution 4 will ratify and approve the previous issue of 7,142,857 ordinary shares as set out in the Resolution.

ASX Listing Rule 7.5

ASX listing Rule 7.5 requires the Notice of Meeting at which shareholders are required to consider Resolution 4 pursuant to Listing Rule 7.4 to include certain specified information in relation to the equity securities that have been issued. This information is set out below:

- (a) *the number of securities allotted:* 7,142,857 ordinary shares;
- (b) *the price at which the securities were issued:* 14 cents per share;
- (c) *the terms of the securities:* the securities are fully paid ordinary shares ranking equally in all respects with the other fully paid ordinary shares of the Company on issue;
- (d) *the basis upon which the allottees were determined:* the allottees were determined by Acorn Capital Limited, the discretionary investment manager which agreed with the Company to apply for the new shares;
- (e) *the use (or intended use) of the funds raised:* the funds were directed principally to a drilling programme at the Tarcoola Iron Ore Project;
- (f) *a voting exclusion statement:* this statement is included in section 2 of the Notice of Meeting of which this Explanatory Statement forms part.

The Directors recommend that you vote in favour of this resolution.

4. QUERIES

If you have any queries about the meeting, the Resolutions to be put to the meeting or the proposals being considered, please contact the Company Secretary, Mr Melvyn Drummond, on (03) 9909 7618.



APPOINTMENT OF PROXY

If you would like to attend and vote at the Annual General Meeting, please bring this form with you. This will assist in registering your attendance.



X99999999999

I/We being a member(s) of **Stellar Resources Limited** and entitled to attend and vote hereby appoint

A the **Chairman of the Meeting (mark box)** **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the **Chairman of the Meeting**, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following instructions (or if no directions have been given, as the proxy sees fit) **at the Annual General Meeting of the Company to be held at 10:30am on Friday, 14 November 2008, at Level 7, 530 Little Collins Street, Melbourne Victoria 3000 and at any adjournment of that meeting.**

Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. **Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting. The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.**

B To direct your proxy how to vote on any resolution please insert in the appropriate box below.

ORDINARY BUSINESS	For	Against	Abstain*		For	Against	Abstain*
To receive and consider the Financial Report the Directors' Report and the Auditor's Report	No Resolution Required						
Resolution 1 Adoption of Remuneration Report (Non-binding Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 3 Re-election of Thomas J. Burrowes as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Christopher G. Anderson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 4 Approval of previous issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

C **IMPORTANT: FOR ITEM 4 ABOVE**
If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote as your proxy in respect of Item 4 above, please place a mark in this box. By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even though he/she has an interest in the outcome of that Item and that votes cast by him/her for that Item, other than as proxyholder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 4 and your votes will not be counted in calculating the required majority if a poll is called on this Item.
The Chairman of the Meeting intends to vote undirected proxies in favour of Item 4.

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

D SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)	Joint Securityholder 2 (Individual)	Joint Securityholder 3 (Individual)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the securityholder's constitution and the *Corporations Act 2001* (Cwlth).



How to complete this Proxy Form

1 Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in section A. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in section A. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

3 Votes on Items of Business

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 10:30am on Wednesday, 12 November 2008, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the reply paid envelope or:

- by posting, delivery or facsimile to Stellar Resources Limited's share registry as follows:
Stellar Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Facsimile: (02) 9287 0309
- delivering it to Level 12, 680 George Street, Sydney NSW 2000.