

Stellar Resources

ASX Announcement



11 March 2014

Despatch of Entitlement Issue Prospectus and Rights Issue Entitlement and Acceptance Form

The non-renounceable rights issue announced on 25 February 2014 is now open. The Entitlement Issue Prospectus and Rights Issue Entitlement and Acceptance form have been despatched to eligible shareholders.

For further details please contact:

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ASX Code: SRZ

About Stellar:

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Stellar Resources (SRZ) is an exploration and development company with assets in Tasmania and South Australia. The company is rapidly advancing its high-grade Heemskirk Tin Project, located near Zeehan in Tasmania, and plans to become Australia's second largest producer of tin.

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Letter from Chairman

11 March 2014

Dear Shareholder,

On behalf of the Board of Stellar Resources Limited, I am pleased to invite you to participate in a non-renounceable pro rata entitlement issue to subscribe for 1 new Stellar Resources Share for every 12 existing Stellar Resources Shares held as at 7.00pm (WST time) on 6 March 2014. The New Shares are offered at an issue price of \$0.052 (5.2 cents) per New Share.

The issue is jointly and partially underwritten by Capetown S.A. and M. Elsasser Vermögensverwaltung Wealth Management GmbH and will raise \$1,197,939 (before costs and expenses). The joint underwriters agree to jointly underwrite a portion of any shortfall arising from the entitlement issue up to 84% of the issue. Neither of the joint underwriters will take up their entitlement under the entitlement issue, as they will be applying for their proportion of the shortfall which shall include their entitlement.

You will be aware that the Company announced on 17 January 2014, the raising of \$2,600,000 (before costs and expenses) through the placement of 50,000,000 fully paid ordinary shares at an issue price of \$0.052 (5.2 cents) per share to Capetown S.A., a private family owned company based in Luxembourg. The current prorata offer to shareholders provides the opportunity to buy new shares at the price paid by Capetown S.A.

The net proceeds from the Offer will be used to advance the Heemskirk Tin Project through the optimisation stage and into a definitive feasibility study. In addition, some funds will be allocated to exploration for tin and for general working capital.

Stellar is in the process of securing a drilling contractor to commence work in early March. Initially, drilling will focus on targets in and around the St Dizier tin prospect and targets with potential for high grade tin at Queen Hill and Severn.

This Offer Booklet contains important information about the Offer including:

- details of the Offer , including key dates;
- actions to be taken by Eligible Shareholders; and
- additional information

and is accompanied by a personalised Entitlement and Acceptance Form which details your Entitlement.

The Offer closes at 4.00pm (WST time) on 25 March 2014. To participate, you need to ensure that your completed Entitlement and Acceptance Form and Application Money are received by Stellar Resources OR that you have paid your Application Money by BPAY, in accordance with the instructions set out on the Entitlement and Acceptance Form and in this Offer Booklet, before this time and date.

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

All shareholders are encouraged to take part in the entitlement offer. However, you should consult your stockbroker, accountant or other independent financial adviser before doing so. Directors and management are all participating. You should also refer to section 7 of this Offer Booklet dealing with some of the Risks of participating in the Offer.

I encourage you to read this Offer Booklet carefully.

On behalf of the Board of Stellar Resources, I thank you for your continued support.

Yours sincerely,

Phillip G. Harman

Chairman