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AND REQUIRES YOUR ATTENTION

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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 Deloitte Touche Tohmatsu, Level 10, 550 Bourke Street, Melbourne, Victoria 3000;
- on Thursday 26 October 2017 at 3.00pm AEDT.

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 Boardroom Pty Ltd in the manner set out in the proxy form. The proxy form must be received by the Share Registry of Stellar no later than 3.00pm AEDT on Tuesday 24 October 2017.

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 Thursday, 26 October 2017**
- **at 3.00pm AEDT**
- **at Deloitte Touche Tohmatsu, Level 10, 550 Bourke Street, Melbourne, Victoria 3000**

1. BUSINESS

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 annual financial report of the Company and controlled entities for the year ended 30 June 2017, together with the declaration of Directors;
- (b) the Directors' report;
- (c) the Remuneration report; and
- (d) the independent auditor's report thereon.

B. Ordinary Resolutions

To consider and, if thought fit, to pass the following resolutions, in the case of Resolution 1 as a non-binding resolution, and in all other cases as an ordinary resolution:

Resolution 1: Adoption of Remuneration Report

"**THAT** for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2017."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Resolution 2: Re-election of Director – Dr T H Whiting

"**THAT** Dr Thomas H Whiting, a Director retiring in accordance with clause 57.1 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."

C. Special Resolution

To consider and, if thought fit, to pass the following resolution as a special resolution:

Resolution 3: Approval of 10% Placement Facility

"**THAT**, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement."

2. VOTING RESTRICTIONS

Resolution 1

A vote on Resolution 1 must not be, and the Company will disregard any vote, cast (in any capacity) by or on behalf of either a member of the Company's key management personnel (as described below), details of whose remuneration are included in the Remuneration Report (**KMP member**) or a closely related party of a KMP member (as described below) (**Closely Related Party**).

However, a KMP member or a Closely Related Party may cast a vote on Resolution 1 (**Voter**) as a proxy if the vote is not cast on behalf of a KMP member or a Closely Related Party and either the Voter is appointed as a proxy by writing that specifies how the proxy is to vote on Resolution 1 and expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a KMP member.

KMP members are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director of the Company.

If you are a KMP member or a Closely Related Party (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as stated above), you may commit an offence by breaching the voting restrictions that apply to you under the Corporations Act.

A **Closely Related Party** means any of the following:

- a spouse or child of the KMP member;
- a child of the KMP member's spouse;
- a dependant of the KMP member or the KMP member's spouse;
- anyone else who is one of the KMP member's family and may be expected to influence the KMP member, or be influenced by the KMP member, in the KMP member's dealings with the Company;
- a company the KMP member controls;
- a person prescribed by regulations (as at the date of this Notice of Annual General Meeting, no such regulations have been prescribed).

The proxy form accompanying this Notice contains instructions regarding how to complete the proxy form if a Shareholder wishes to appoint the Chairperson as his or her proxy and to authorise the Chairperson to vote on the resolution to adopt the Remuneration Report. You should read those instructions carefully.

Resolution 3

The Company will disregard any votes cast on Resolution 3 by a person (and any associate of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 3 is passed. However, the Company need not disregard a vote cast on Resolution 3 if:

- 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
- 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 7pm (AEDT) on Tuesday 24 October 2017.

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, 3.00pm AEDT, Tuesday, 24 October 2017 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 3.00pm AEDT on Tuesday 24 October 2017 by:
- Mail to: Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001;
 - Hand delivery to: Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000; or
 - Fax to: Stellar Resources Limited c/- Boardroom Pty Limited on +61 2 9290 9655; or
 - Online at www.votingonline.com.au/stellaragm2017
- (b) A Shareholder who is entitled to vote at the Meeting may appoint:
- (i) one proxy if the Shareholder is only entitled to one vote; or
 - (ii) 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.
- (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" 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 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, 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.
- (j) If you complete a proxy form that authorises the Chairperson of the Annual General Meeting to vote on your behalf as a proxyholder, and you do not mark any of the boxes "For" "Against" or "Abstain" so as to give the Chairperson directions about how your vote should be cast, your proxy will automatically be directed in favour of the resolution to adopt the Remuneration Report (i.e. Resolution 1), and the Chairperson will vote accordingly.
- (k) 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 13 September 2017

BY ORDER OF THE BOARD



.....
Christina R Kemp
Company Secretary

STELLAR RESOURCES LIMITED
ABN 96 108 758 961

EXPLANATORY STATEMENT

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 to be held on Thursday 26 October 2017 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.

Certain terms used in this Explanatory Statement and the Notice of Meeting of which it forms part are defined in section 4 of this Statement (Interpretation).

1. BUSINESS OF THE MEETING – SUMMARY

- a. To table the financial statements of the Company for the period ended 30 June 2017 and to give the members the opportunity to raise issues and ask questions generally concerning the financial statements or business operations of the Company;

To consider and vote on the following ordinary resolutions:

Resolution 1 – to adopt the Remuneration Report;

Resolution 2 – to re-elect Dr Thomas H Whiting as a Director; and

- b. To consider and vote on the following special resolution:

Resolution 3 – to approve a 10% Placement Facility under Listing Rule 7.1A.

2. WHY THE MEETING IS BEING HELD

2.1 Financial Statements and Reports

The Board is required to lay before the Meeting the annual financial statements, Directors' report, Remuneration Report and independent auditor's report for the year ended 30 June 2017.

Copies of the annual financial statements and abovementioned reports are contained in the Annual Report for the financial year ended 30 June 2017 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, Ms Christina Kemp on (+61 3) 9618 2540. Shareholders who have 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 17, 530 Collins Street
Melbourne VIC 3000

Facsimile: +61 3 9649 7200

E-mail: chris.kemp@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 2017).

2.2 Resolution 1 – Adoption of Remuneration Report for Year Ended 30 June 2017

The Remuneration Report forms part of the statutory Annual Report for the year ended 30 June 2017 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 specified executives, including the Managing Director, and the non-executive Directors.

The Company is required by the Corporations Act 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 this strict legal position, the Board has determined that it will take the outcome of the vote and comments made by Shareholders on the Remuneration Report into consideration when determining the remuneration policy of the Company.

Further, under the Corporations Act, if 25% or more of the votes cast on Resolution 1 are against adoption of the Remuneration Report, then:

- if comments are made on the Remuneration Report at the Annual General Meeting, the Company's Remuneration Report for the period ending 30 June 2018 will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and
- if, at the Company's 2018 Annual General Meeting, 25% or more of the votes cast on the resolution for the adoption of the Remuneration Report for the financial year ended 30 June 2018 are against its adoption, and at the Meeting convened by this Notice at least 25% of the votes cast on Resolution 1 were against adoption of the Remuneration Report, the Company must put to its Shareholders a resolution proposing that an Extraordinary General Meeting (**Spill Meeting**) be held within 90 days of the date of the 2018 Annual General Meeting to consider the appointment of Directors (**Spill Resolution**). Where a Spill Resolution is carried at the Spill Meeting (i.e. more than 50% of the votes cast on the Spill Resolution are in favour of the Spill Resolution), all of the Directors in office at the 2018 Annual General Meeting will cease to hold office immediately before the end of the Spill Meeting, unless they are re-elected at the Spill Meeting.

At the Company's previous Annual General Meeting the votes cast against the Remuneration Report considered at that Annual General Meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

The Company recommends that Shareholders who submit proxies should consider giving "how to vote" directions to their proxyholder on each resolution, including this Resolution 1. If you complete a proxy form that authorises the Chairperson of the Annual General Meeting to vote on your behalf as proxyholder, and you do not mark any of the boxes "For" or "Against" or "Abstain" so as to give the Chairperson directions about how your vote should be cast, your proxy will automatically be directed in favour of the resolution to adopt the Remuneration Report and the Chairperson will vote accordingly.

If you wish to appoint the Chairperson of the Annual General Meeting as your proxyholder but you do not want to put the Chairperson in the position to cast your votes in favour of Resolution 1, you should complete the appropriate box on the proxy form, directing the Chairperson to vote against or abstain from voting on Resolution 1.

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.

2.3 Resolution 2 – Re-election of Dr Thomas H Whiting 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. Dr Whiting, who was appointed as a non-executive Director on 7 February 2011, retires by rotation at the conclusion of the 2017 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.

Dr Whiting is a geophysicist by profession and has over 35 years experience in the minerals exploration sector. From 2000 to 2004, he led BHP Billiton's global minerals exploration group as Vice President of Minerals Exploration. During his career with BHP Billiton, he was associated with a number of discoveries and was at the forefront of promoting the development and application of new exploration technologies related to the search for ore deposits under cover. He is currently a consultant to a number of other mineral exploration companies.

Currently, Dr Whiting is also non-executive Director of ASX listed Mineral Deposits Limited and non-executive Chairperson of the Deep Exploration Technologies Cooperative Research Centre.

He is a member of the Society of Exploration Geophysicists and the Australian Institute of Company Directors.

Details of Dr Whiting's qualifications and further details of his experience are contained in the Directors' Report forming part of the 2017 Annual Report.

Dr Whiting will retire in accordance with the requirements of the Company's constitution at the close of the Annual General Meeting. He seeks re-election as a Director of the Company at the Meeting.

The Board considers Dr Whiting to be an independent director.

The Directors (other than Dr Whiting) recommend that you vote in favour of this Resolution. Dr Whiting makes no recommendation to Shareholders.

2.4 Resolution 3 – Approval of 10% Placement Facility under Listing Rule 7.1A

2.4.1 General

Listing Rule 7.1A enables an eligible entity to seek Shareholder approval at its Annual General Meeting to allow it to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% Placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is again seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The approval obtained at last year's Annual General Meeting is due to expire on 17 November 2017.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has two classes of Equity Securities on issue, being Shares (ASX Code: SRZ) and Listed Options (ASX Code: SRZO). The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 2.4.2 below).

2.4.2 Description of Listing Rule 7.1A

2.4.2.1 Shareholder Approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an Annual General Meeting.

2.4.2.2 Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of this Notice of Meeting, has on issue two classes of Equity Securities, being shares and listed options.

2.4.2.3 Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that an eligible entity which has obtained Shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12 month period after the date of the Annual General Meeting, a number of equity securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

- plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid shares that became fully paid in the 12 months;
- plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without Shareholder approval;
- less the number of fully paid shares cancelled in the 12 months.

Note, that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

2.4.2.4 Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice of Meeting, the Company has on issue 379,713,489 shares and therefore has a capacity to issue:

- 56,957,023 Equity Securities under Listing Rule 7.1; and
- under Resolution 3, subject to Shareholder approval being sought, 37,971,349 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 2.4.2.3 above).

2.4.2.5 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- (A) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- (B) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

or such longer period if allowed by ASX (**10% Placement Period**).

2.4.3 Listing Rule 7.1A

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

2.4.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

(a) Minimum Issue Price

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(b) Risk of voting dilution

If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date Shareholders provide their approval at the Annual General Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The Table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The Table also shows:

- (i) two examples where variable “A” has increased, by 50% and 100%. Variable “A” is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue to all Shareholders) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders’ Meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Number of Shares on issue (Variable A in Listing Rule 7.1A.2)		Dilution		
		\$0.008 50% decrease in Issue Price	\$0.016 Issue Price	\$0.032 100% increase in Issue Price
Current Variable A 379,713,489 Shares	Shares issued - 10% Voting Dilution	37,971,349 Shares	37,971,349 Shares	37,971,349 Shares
	Funds raised	\$303,771	\$607,542	\$1,215,083
50% increase in current Variable A 569,570,234 Shares	Shares issued - 10% Voting Dilution	56,957,023 Shares	56,957,023 Shares	56,957,023 Shares
	Funds raised	\$455,656	\$911,312	\$1,822,625
100% increase in current Variable A 759,426,978 Shares	Shares issued - 10% Voting Dilution	75,942,698 Shares	75,942,698 Shares	75,942,698 Shares
	Funds raised	\$607,542	\$1,215,083	\$2,430,166

* The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The Table has been prepared on the following assumptions:

1. There are currently 379,713,489 Shares on issue.
2. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
3. None of the 15,000,000 unlisted options and 59,142,857 listed options that the Company currently has on issue are exercised into Shares before the date of the issue of the Equity Securities.
4. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
5. The Table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder’s holding at the date of the Annual General Meeting.
6. The Company issued Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2, were approved under ASX Listing Rule 7.1., and Listing Rule 7.1A. Shareholder approval was obtained at General Meeting of Shareholders on 10 April 2017.
7. The Table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% Placement capacity under Listing Rule 7.1.
8. The issue price is \$0.016, being the closing price of the Shares on ASX on 12 September 2017.
9. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

(c) Date of issue

The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

(d) Purpose of issue under 10% Placement Facility

The Company may seek to issue the Equity Securities for the following purposes:

- (i) cash consideration. In such circumstances, the Company intends to use the funds raised to advance its wholly owned Heemskirk Tin Project near Zeehan in north west Tasmania, keeping the Company's other mining tenements in good standing to the extent that third parties are not responsible for doing so under farm-in or joint venture agreements and/or to provide general working capital.
- (ii) non-cash consideration. Whilst the Company is not currently seeking to acquire new resource assets or investments, an asset may become available for acquisition in exchange for shares. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

(e) Allocation policy under the 10% Placement Facility

The Company's allocation policy will depend on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.

The identity of the allottees of Equity Securities will be determined on a case-by-case basis at the time of issue having regard to factors including, but not limited to, the following:

- (i) the purpose of the issue;
- (ii) the methods of raising funds that are available to the Company, including but not limited to, a rights issue or other issue in which existing Shareholders can participate;
- (iii) the effect the issue of the Equity Securities might have on the control of the Company;
- (iv) the circumstances of the Company, including the financial situation and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

If the Company were to acquire an asset or investment in exchange for Shares, it is likely that the allottee under the 10% Placement Facility would be the vendor of the asset or investment.

(f) Previous approval under Listing Rule 7.1A – Listing Rule 7.3A.6

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its Annual General Meeting held on 17 November 2016 (**Previous Approval**).

As the Company had previously obtained Shareholder approval under Listing Rule 7.1A, the following information is provided to Shareholders, in accordance with Listing Rule 7.3A.6, regarding the Equity Securities issued in the previous 12 months preceding the date of the AGM (that is, since 17 November 2016):

Listing Rule 7.3A.6: (a) Total equity securities issued in previous 12 months

Number of equity securities on issue at commencement of 12 month period	300,227,775 Ordinary Shares <u>40,000,000 Unlisted Options</u> 340,227,775 Equity Securities (Total)
Equity securities expired in prior 12 month period	(25,000,000) Unlisted Options
Equity securities issued in prior 12 month period	79,485,714 Ordinary Shares 59,142,857 Listed Options
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	33.40%

Date of issue:	14 March 2017
Number issued:	74,285,714 Ordinary Shares
Type of equity security:	Ordinary Shares
Summary of terms:	Placement to sophisticated and professional investors at \$0.035 per Share
Names of persons who received securities or basis on which those persons was determined:	Sophisticated and professional investors
Price at which equity securities were issued:	\$0.035 per Share (calculated using 15 day VWAP - \$0.043, 75% of 15 day VWAP - \$0.032)
Consideration received:	\$2,600,000
Use of cash:	Proceeds to enable the Company to advance the Heemskirk Tin Project. \$1,070,000 has been spent on diamond drilling of high grade targets around known deposits, advance metallurgical testing program, progress environmental clearance programs; and general working capital purposes. The intended use of the remaining amount of cash is to continue with further advancement of Heemskirk Tin Project

Date of issue:	21 April 2017
Number issued:	5,200,000 Ordinary Shares
Type of equity security:	Ordinary Shares
Summary of terms:	Nominees of Hunter Capital Pty Ltd
Names of persons who received securities or basis on which those persons was determined:	Nominees of Hunter Capital Pty Ltd
Price at which equity securities were issued:	\$0.035 per Share (nil discount applied)
Consideration received:	Non-cash consideration
Use of cash:	Non-cash consideration as per agreement – in satisfaction of corporate advisory and capital raising services performed in relation to the placement of \$2,600,000
Non-cash consideration value:	The current value of non-cash consideration, is \$83,200 being the closing price of Ordinary Shares (ASX: SRZ) on 12 September 2017

Listing Rule 7.3A.6: (b) Total equity securities issued in previous 12 months

Date of issue:	18 May 2017
Number issued:	59,142,857 Listed Options
Type of equity security:	Listed Options
Summary of terms:	a) Under the terms of the placement, one (1) free Listed Option for every two (2) shares received exercisable at \$0.05 (5 cents) expiring on 18 May 2020 b) Pursuant to the placement, the Company agreed to issue Hunter Capital Advisors Pty Ltd 22,000,000 Listed Options in satisfaction of corporate advisory and capital raising services performed
Names of persons who received securities or basis on which those persons was determined	Nominees of Hunter Capital Advisors Pty Ltd
Price at which equity securities were issued:	No consideration for the Listed Options
Consideration received:	Nil
Use of cash:	Non-cash consideration as per agreement – in satisfaction of corporate advisory and capital raising services performed in relation to the placement of \$2,600,000
Non-cash consideration value:	The current value of non-cash consideration, is \$177,429 being the closing price of Listed Options (ASX: SRZO) on 12 September 2017

(g) Voting exclusion statement

A voting exclusion statement is included in section 2 of the Notice of Meeting. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

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

3. OTHER SOURCES OF INFORMATION

You may wish to review information available from the following sources in deciding whether or not to attend and vote at the Annual General Meeting or to vote in favour of or against any of the Resolutions.

Stellar is a 'disclosing entity' for the purposes of the Corporations Act and as such is subject to periodic reporting and continuous disclosure obligations. Specifically, as an entity listed with ASX, Stellar is subject to the Listing Rules which require continuous disclosure of any information which Stellar has concerning itself that a reasonable person would expect to have a material effect on the price or value of shares.

Copies of announcements made by the Company on ASX are available from the ASX website: www.asx.com.au

In addition, Stellar is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Stellar may be obtained from, or inspected at, ASIC offices.

Additional information regarding Stellar is available on Stellar's website: www.stellarresources.com.au

4. INTERPRETATION

In this Notice of Meeting:

10% Placement Facility has the meaning given in section 2.4.1;

10% Placement Period has the meaning given in section 2.4.2.5;

Annual Report means the Company's annual report for the financial year ended 30 June 2017;

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Limited ACN 008 624 691;

Board means the board of Directors of the Company;

Company or **Stellar** means Stellar Resources Limited ABN 96 108 758 961;

Corporations Act means Corporations Act 2001 (Cth);

Director means a Director of the Company;

Equity Securities has the same meaning as in the Listing Rules;

Explanatory Statement or **Statement** means the explanatory statement accompanying and forming part of the Notice;

Listing Rules means the listing rules of ASX;

Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises).

Meeting means the annual general meeting convened by this Notice of Meeting;

Notice or **Notice of Meeting** means this notice of annual general meeting and Explanatory Statement;

Official List means the official list of ASX;

Options mean an option to subscribe for Ordinary Shares in the capital of the Company;

Registry means Boardroom Pty Limited of Level 12, 225 George Street, Sydney, NSW 2000;

Remuneration Report means the remuneration report for the year ended 30 June 2017;

Resolutions means the two ordinary resolutions and two special resolutions contained in the Notice of Meeting;

Shareholder means a holder of a Share;

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

Share Registry means the Company's share registry, which as at the date of this Notice is Boardroom Pty Limited;

Stellar or **Company** means Stellar Resources Limited ABN 96 108 758 961;

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules; and

VWAP means volume weighted average price.

5. 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, Ms Christina Kemp, on (03) 9618 2540.



All Correspondence to:

 **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

 **By Fax:** +61 2 9290 9655

 **Online:** www.boardroomlimited.com.au

 **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 3.00pm AEDT on Tuesday 24 October 2017**

TO VOTE ONLINE

STEP 1: VISIT www.votingonline.com.au/stellaragm2017

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):

BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

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

To appoint a second proxy you must:

(a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities 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 in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **3.00pm AEDT on Tuesday 24 October 2017**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

 **Online** www.votingonline.com.au/stellaragm2017

 **By Fax** + 61 2 9290 9655

 **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Stellar Resources Limited

ABN 96 108 758 961

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

PROXY FORM

STEP 1 APPOINT A PROXY

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

the Chair of the Meeting (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **Deloitte Touche Tohmatsu, Level 10, 550 Bourke Street, Melbourne, Victoria 3000 on Thursday 26 October 2017 at 3.00pm AEDT** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters. If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 1, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 1 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 1). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* 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 vote will not be counted in calculating the required majority if a poll is called.

Ordinary Resolutions

Resolution 1 Adoption of the Remuneration Report

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 2 Re-election of Dr Thomas H Whiting as a Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Special Resolution

Resolution 3 Approval of 10% Placement Facility

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2017