



**STELLAR RESOURCES LIMITED**  
**ACN 108 758 961**

# **Notice of General Meeting**

## **Explanatory Statement and Proxy Form**

Date of Meeting:  
**Wednesday, 10 June 2020**

Time of Meeting:  
**10.00am (AEST)**

Place of Meeting:  
**Level 4, 100 Albert Road**  
**South Melbourne VIC 3205**

*This Notice of General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay.*

# STELLAR RESOURCES LIMITED

ACN 108 758 961

Registered Office: Level 4, 100 Albert Road, South Melbourne VIC 3205

## NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of Shareholders of Stellar Resources Limited (**Company** or **SRZ**) will be held **at the offices of Leydin Freyer, Level 4, 100 Albert Road, South Melbourne, VIC 3205 at 10.00am (AEST) on Wednesday, 10 June 2020 (General Meeting or Meeting).**

As a result of the uncertainty and potential health risks created by the rapidly evolving Coronavirus (COVID-19) pandemic, and due to Victorian Government restrictions, Shareholders are encouraged to appoint the Chairman as their proxy with a voting instruction prior to the cut-off time for submission of proxy forms to minimise the need for individuals to attend the General Meeting in person.

The Company takes seriously its responsibility to the wider community to slow the spread of the virus by not creating environments of heightened risk.

Shareholders who choose to physically attend the General Meeting must review and follow government warnings and recommendations, including by maintaining a distance of at least 1.5 metres from other attendees. Shareholders should also arrive early as access to the venue will be delayed due to screening, distancing requirements on entry and a requirement that attendees provide a confirmation in the form of Annexure B to this announcement. If the capacity limits in accordance with Government recommendations are or are expected to be exceeded, the Chairman may adjourn the meeting.

Shareholders may still participate in the meeting via a live webcast.

Shareholders attending the General Meeting through the live webcast will be able to ask questions and the Company has now made provision for Shareholders who register their attendance with the Share Registrar before the start of the meeting to also cast their votes on the proposed resolutions. Shareholders who intend to join the Webcast (particularly those who are intending to vote) are asked to dial-in 30 minutes prior to the start of the Meeting to allow the Company's Share Registrar to take your details.

The live webcast can be attended using the following details:

Zoom link (via app):	<a href="https://us02web.zoom.us/j/3329842203">https://us02web.zoom.us/j/3329842203</a>
Australia dial-in number:	+61 3 7018 2005
	+61 2 8015 6011
	+61 8 7150 1149
Meeting ID:	332 984 2203

The webcast will be available 30 minutes prior to the start of the General Meeting.

# AGENDA

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, include defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

## ORDINARY BUSINESS

### Resolution 1: Ratification of Prior Issue of Shares and Options

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and confirm the issue on 24 December 2019 of 60,000,000 fully paid ordinary shares in the Company at an issue price of \$0.009 (0.9 cents) per share, together with a total of 30,000,000 free attaching unlisted options, exercisable at \$0.015 (1.5 cents) per option, expiring on 24 December 2022 to sophisticated investors on the terms and conditions as described in the Explanatory Statement.”*

### Resolution 2: Ratification of Prior Issue of Options

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and confirm the issue on 24 December 2019 of 5,000,000 unlisted options on the terms as described in the Explanatory Statement.”*

### Resolution 3: Approval of Non-Executive Director Share Rights Plan

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to adopt the Non-Executive Director Share Rights Plan (NEDSP) and to grant share rights and allocate shares in the Company on vesting of those share rights to Non-Executive Directors as described, in the Explanatory Statement.”*

## BY ORDER OF THE BOARD



**Melanie Leydin**

**Company Secretary**

30 April 2020

## Notes

1. **Entire Notice:** The details of the resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm on the date 48 hours before the date of the General Meeting. Only those persons will be entitled to vote at the General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.
3. **Proxies**
  - a. Votes at the General Meeting may be given personally or by proxy, attorney or representative.
  - b. Each shareholder has a right to appoint one or two proxies.
  - c. A proxy need not be a shareholder of the Company.
  - d. If a shareholder is a company, it must execute under its common seal or otherwise in accordance with its Constitution or the Corporations Act.
  - e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
  - f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
  - g. A proxy form must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority.
  - h. To be effective, Proxy Forms must be received by the Company's share registry (Boardroom Pty Limited) no later than 48 hours before the commencement of the General Meeting, this is no later than 10:00am (AEST) on Monday, 8 June 2020. Any proxy received after that time will not be valid for the scheduled Meeting.

## 4. Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

## 5. Voting Exclusion Statement:

### Resolution 1 and 2

The Company will disregard any votes cast in favour on these Resolutions by any person who participated in the issue of securities, any associates of those persons or any person who is a counterparty to the agreement being approved.

However, this does not apply to a vote cast in favour of a resolution by:

- a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### Resolution 3

The Company will disregard any votes cast:

- in favour of Resolution 3 by or on behalf of the Non-Executive Directors or any of their associates, regardless of the capacity in which the vote is cast.
- as a proxy or attorney by a person who is a member of the Company's Key Management Personnel at the date of the meeting or their closely related parties,

However, this does not apply to a vote cast in favour of resolution 3 by:

- a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the \*chair to vote on the resolution as the chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 6. Enquiries

Shareholders are invited to contact the Company Secretary, Melanie Leydin on +61 3 9692 7222 if they have any queries in respect of the matters set out in these documents.

## EXPLANATORY STATEMENT

### Resolution 1: Ratification of Prior Issue of Shares and Options

#### **Background**

The Company is seeking shareholder approval to ratify the issue of 60,000,000 fully paid ordinary shares (Shares) in the Company at an issue price of \$0.009 (0.9 cents) per share and a total of 30,000,000 free attaching unlisted options (Options) exercisable at \$0.015 (1.5 cents) per option completed on 24 December 2019. The options were issued on a one (1) for two (2) basis being one free attaching option for each two shares subscribed for, expiring on 24 December 2022, in accordance with the ASX announcements dated 24 December 2019. The full terms of the Options are set out in Annexure A.

#### **ASX Listing Rules**

ASX Listing Rules 7.1 and 7.1A allow the Company to issue new securities up to 25% of the existing capital of the Company in any 12-month period without the prior approval of Shareholders, unless one of the exceptions in ASX Listing Rule 7.2 applies. The issue of the Shares and Options under the Placement was within the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A.

Under ASX Listing Rule 7.4 an issue of securities will be treated as having been made with the approval of shareholders for the purposes of ASX Listing Rules 7.1 and 7.1A if the issue did not breach ASX Listing Rules 7.1 and 7.1A at the time and shareholders subsequently approve it. The issue of the Shares and Options was within the Company's ASX Listing Rule 7.1 and 7.1A placement capacity and the Company now seeks Shareholder ratification of the issue pursuant to ASX Listing Rule 7.4.

If Resolution 1 is approved, the prior issue of the 60,000,000 Shares and 30,000,000 Options under the Placement may be treated by the Company as having been made with Shareholder approval under ASX Listing Rules 7.1 and 7.1A. The Company will therefore be able to issue additional equity securities without the Shares and Options the subject of Resolution 1, counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1 or the 10% facility limit for the purposes of ASX Listing Rule 7.1A.

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the Shares and Options were issued to sophisticated investors through Taylor Collison who were appointed as the Lead Manager of the placement completed during December 2019;
- (b) the number of Shares and Options allotted and issued was 60,000,000 Shares and 30,000,000 Options in the Company;
- (c) the Shares and Options were not issued under an agreement;
- (d) the Shares were issued at a price of \$0.009 (0.9 cents) per Share and the Options were issued at a Nil issues price;
- (e) the Shares rank equally in all respects with the existing Shares on issue in the Company and the Options upon exercise will rank equally in all respects with existing shares;
- (f) the Options were issued on a one (1) for two (2) basis being one free attaching Option for each two shares subscribed for;
- (g) the Options, immediately exercisable, have an exercise price of \$0.015 (1.5 cents) per Option, entitle the holder to receive one Share on exercise of one Option and expire on 24 December 2022;
- (h) the Shares and Options were issued on 24 December 2019; and
- (i) the funds raised from the issue of the Shares will be used for general working capital requirements of the Company.

#### **Board Recommendation**

The Board recommends that shareholders vote in favour of this Resolution to ratify the prior issue of 60,000,000 Shares and 30,000,000 Options as described above. The Chairman of the meeting intends to vote undirected proxies in favour of this Resolution 1.

#### **Voting Exclusions**

Refer to note 5 for voting exclusions on this Resolution.

## **Resolution 2: Ratification of Prior Issue of Options**

### ***Background***

The Company is seeking Shareholder approval pursuant to ASX Listing Rule 7.4 to ratify the issue of 5,000,000 unlisted options exercisable at \$0.015 (1.5 cents) per option, vesting immediately and expiring on 24 December 2022 to Taylor Collison as payment for broker services provided for undertaking the placement completed on 24 December 2019. The full terms of the Options are set out in Annexure A.

The 5,000,000 unlisted options were issued without shareholder approval under the Company's 15% placement capacity pursuant to ASX Listing Rule 7.1.

ASX Listing Rule 7.4 provides that a company may reinstate its capacity to issue up to 15% of the ordinary securities on issue in a 12 month period if shareholders ratify the previous issue of securities and the issue did not breach Listing Rule 7.1.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the Options were issued to Taylor Collison as payment for broker services provided for undertaking the placement completed on 24 December 2019;
- (b) the total number of unlisted Options in the Company that were issued is 5,000,000;
- (c) the Options were issued at a Nil issue price;
- (d) the Options were not issued under an agreement;
- (e) the Options issued do not rank equally with the existing class of quoted securities, however fully paid ordinary shares issued upon the exercise of the Options will have the same terms and rights as, and ranking equally with, the Company's existing shares;
- (f) the Options are exercisable at \$0.015 (1.5 cents) per option, vesting immediately and expiring on 24 December 2022;
- (g) the Options were issued on 24 December 2019; and
- (h) there were no funds raised from this issue of Options however any funds raised upon exercise of the Options will be used for general working capital requirements of the Company.

### ***Board Recommendation***

The Board recommends that Shareholders vote in favour of Resolution 2. The Chairman of the meeting intends to vote undirected proxies in favour of this Resolution 2.

### ***Voting Exclusions***

Refer to note 5 for voting exclusions on this Resolution.

## **Resolution 3: Approval of Non-Executive Director Share Rights Plan**

### ***Background***

Shareholders are being asked to approve the grant of Share Rights (**Rights**) in for a period of three years commencing January 2020 to Non-Executive Directors (**NEDs**) under the Stellar Resources Limited (**SRZ**) Non-Executive Director Share Rights Plan (**NEDSP**) for the allocation of SRZ shares (**Shares**) on exercise of those Rights.

Following a review by the Company's existing remuneration arrangements for its Non-Executive Directors, the Board has recommended that annual remuneration paid to NEDs may be delivered in cash and/or equity, subject to shareholder approval as required. The proposed NEDSP is intended to support NEDs to develop a meaningful shareholding in the Company and as a means of aligning the interests of NEDs and shareholders generally through the diversion of current and future cash remuneration to equity. In addition it will assist the Company in implementing its cost reduction strategies and maintain its cash reserves.

There is no current intention to increase the total limit of current director remuneration pool. However, the NEDSP will facilitate delivery of increased remuneration (within the NED remuneration limit) when it becomes justified.

The key element of the NEDSP for current NEDs is that it provides the opportunity for NEDs to sacrifice part or all of their cash fees in favour of equity rights under this plan to build their shareholding in the Company. The

introduction of the NEDSP is also intended to remunerate individual NEDs for any material additional efforts that individual NEDs are required to deliver in progressing the Company's goals.

The NEDSP does not attach any performance measures to vesting. This is in line with best practice governance standards which recommend that non-executive directors generally should not receive equity with performance hurdles attached as it may lead to bias in decision-making and compromise their objectivity and in turn their independence.

### ***Why is approval required?***

ASX Listing Rules 10.14 requires shareholders to approve any acquisition of securities by a Director under an employee incentive scheme (which is defined by the ASX listing rules to include schemes for the benefit of non-executive directors). Approval would not be required if the Shares to be acquired by NEDs under the NEDSP are purchased on-market. However, the Company intends to issue new Shares to NEDs upon exercise of Rights under the NEDSP to minimize the cash outflows for the Company and therefore seeks shareholder approval to do so.

ASX Listing Rule 7.1 requires shareholders to approve the issue of securities if the securities will, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12-month period. However, separate approval is not required under ASX Listing Rule 7.1 is not required if shareholder approval is given under Listing Rule 10.14.

### ***How does the NEDSP operate?***

The NEDSP is a salary sacrifice plan pursuant to which NEDs may elect to sacrifice up to 100% of their annual NEDs fees to acquire Rights. Each Right is a right to be allocated (on exercise) one fully-paid ordinary Share in the Company, subject to the terms of the grant.

Each NED will be provided with the number of Rights in the Company equal to the amount of fees sacrificed by the Non-Executive Director in the relevant period, divided by the volume weighted average price of SRZ Shares on the ASX for the thirty trading days preceding the grant date.

Rights are issued or granted on a six monthly basis and do not carry dividend or voting rights.

Rights are not subject to performance conditions, which is consistent with best practice governance standards, which recommend that NEDs should not be granted equity with performance hurdles attached, as it may compromise their independence and lead to bias in their decision making.

Rights are subject to a service condition that is attached to the vesting of the Rights with the Rights vesting on the date specified by the Board in the invitation to participate in respect of the particular period.

When Rights are exercised, the Company will issue Shares to the NED, which rank equally with other ordinary shares already on issue (including in respect of dividends and voting). The Board has discretion to apply restrictions on dealing in respect of those Shares (including in respect of holding or disposal).

Rights that are not exercised will lapse on the date that is 15 years from the relevant grant date, or any other date determined by the Board (**Expiry Date**).

If at any time the Board determines that the allocation of Rights (or Shares) would result in the Company breaching its Constitution, ASX Listing Rules, the Company's Securities Trading Policy or is otherwise inappropriate, the Board may defer the allocation of Rights or Shares until a more suitable time or pay cash in lieu of the same.

Upon retirement from the Board, NEDs are entitled to retain any vested Rights may be exercised for SRZ Shares. Any unvested Rights will lapse.

### ***Who is eligible to participate?***

The NEDs entitled to participate in the NEDSP are Gary Fietz, Simon O'Loughlin, Simon Taylor and Thomas Whiting. Approval for these participants is sought under ASX Listing Rule 10.14.1, each being Directors of the Company.

The Company will seek further approval if it intends for any other NED to participate in the NEDSP.

### ***How many securities will be issued under the NEDSP?***

The maximum number of securities to be acquired by current NEDs under the 3 year period commencing January 2020, grants cannot be confirmed at this stage and will depend on the following factors including:

- The Company's share price at the time of each allocation of Share Rights;
- the number of NEDs in office from time to time;
- the portion of fees sacrificed by each NED in relation to each grant; and
- the level of fees paid to NEDs from time to time.

However based on the current factors as outlined above the maximum amount of securities to be issued under the NEDSP is 47,000,000 based on the following calculations:

$$(A/B) \times C$$

Where:

**A** *Total Current Annual NED Fees*

**B** *Estimated Floor Price (calculated using a 30 day VWAP at 7 April 2020 being A\$0.008)*

**C** *Three being the Three Year Period of the NEDSP until refreshment is required under the ASX Listing Rules.*

This is the first time the NED Share Plan has been put to shareholders for approval and therefore no NED has previously received securities under the NEDSP.

All NEDs in office from time to time may participate in the NED Share Plan. No current or future Executive Director is eligible to participate.

### ***Additional Information required for LR 10.15***

The following disclosures are made for the purposes of Listing Rule 10.15:

- (a) the securities issued under the NEDSP are Share Rights.
- (b) a summary of the material terms of the securities is as follows:
  - (i) each Share Right is a right to be allocated (on exercise) one fully paid ordinary share in the Company.
  - (ii) Share Rights are subject to a service condition and will vest on the date specified in the relevant invitation letter issued by the Board in respect of that calendar year's grant of Rights.
  - (iii) Share Rights do not carry dividend or voting rights.
  - (iv) Shares issued to NEDs on vesting and exercise of Share Rights will rank equally with other ordinary shares on issue.
  - (v) Share Rights that do not vest or are not exercised will lapse on the date that is 15 years from the relevant grant date, or as otherwise determined by the Board.
- (c) the Company has determined that Share Rights are an appropriate type of security to issue under the NEDSP as Share Rights:
  - (i) support NEDs to develop a meaningful shareholding in the Company;
  - (ii) align the interests of NEDs and shareholders generally through the diversion of current and future cash remuneration to equity; and
  - (iii) assist the Company in implementing its cost reduction strategies and maintain its cash reserves.
- (d) the value the Company attributes to each Right is A\$0.008 based off a 30 day VWAP to 7 April 2020 assuming the satisfaction of the service condition described above and those further to be determined by the Board (if any), and that the Performance Rights are exercised so that one Share in the Company is issued for each Share Right exercised (30 day VWAP to 7 April 2020 was A\$0.008).

- (e) the date on which Share Rights will be granted will be no later than 3 years after the date of this Meeting and is expected to occur on a six monthly basis at the end of each period, subject to approval of this Resolution.
- (f) Share Rights will be granted to NEDs at nil issue price.
- (g) a summary of the other material terms of the NEDSP is as follows:
  - (i) no loans will be made by the Company in relation to the securities acquired by NEDs under the NEDSP.
  - (ii) the Board has discretion to apply restrictions on dealing in respect of those Shares (including in respect of holding or disposal).
  - (iii) if at any time the Board determines that the allocation of Share Rights (or Shares) would result in the Company breaching its Constitution, ASX Listing Rules, the Company's Securities Trading Policy or is otherwise inappropriate, the Board may defer the allocation of Rights or Shares until a more suitable time or pay cash in lieu of the same.
  - (iv) upon retirement from the Board, NEDs are entitled to retain any vested Share Rights that may be exercised for Shares. Any unvested Share Rights will lapse.
- (h) details of any Share Rights issued under the NEDSP will be published in each annual report of the Company relating to a period in which the Share Rights have been issued, along with a statement that the securities were issued under ASX Listing Rule 10.14.
- (i) any additional persons referred to in Listing Rule 10.14 who become entitled to participate in the NEDSP after this Resolution is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14.

Details of the NED's current remuneration package are as follows:

<b>Director</b>	<b>Director Remuneration Package (AUD)</b>	<b>Other Remuneration</b>
Simon O'Loughlin	\$35,000	Nil
Simon Taylor	\$30,000	Nil
Thomas Whiting	\$30,000	Nil
Gary Fietz	\$30,000	In addition to his NED role, Gary also provides technical consulting services to the Company at a rate of \$1,500 per day up to a maximum of 4 days with any additional days requiring approval by the Company.

**Board Recommendation**

Each NED abstains from providing a recommendation in respect of Resolution 3 because of their interest in the outcome of the Resolution.

The Chairman of the meeting intends to vote undirected proxies in favour of this Resolution 3.

**Voting Exclusions**

Refer to note 5 for voting exclusions on this Resolution.

## GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“**\$**” means Australian Dollars;

“**AEST**” means Australian Eastern Standard Time;

“**GM**” means General Meeting;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**Board**” means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

“**Chairman**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**Closely Related Party**” means:

- (a) a spouse or child of the member;
- (b) has the meaning given in section 9 of the Corporations Act.

“**Company**” means Stellar Resources Limited ACN 108 758 961;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Equity Security**” has the same meaning as in the Listing Rules;

“**Explanatory Statement**” means the explanatory statement which forms part of the Notice;

“**Key Management Personnel**” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means this Notice of Meeting including the Explanatory Statement;

“**Options**” means the right of the holder to be issued one new Share on payment of the applicable exercise price.

“**Proxy Form**” means the Proxy Form attached to the Notice;

“**Resolution**” means a resolution referred to in the Notice;

“**Rights**” means a right to acquire a Share, subject to conditions specified by the Board

“**Section**” means a section of the Explanatory Statement

“**Share**” means a fully paid ordinary share in the capital of the Company; and

“**Shareholder**” means shareholder of the Company.

“**Share Registry**” means Boardroom Pty Limited (ABN 14 003 209 836);

“**VWAP**” means the volume weighted average price

## ANNEXURE A

### TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the options to be granted pursuant to Resolutions 1 and 2 are as follows:

#### **Terms of Options**

##### **(a) Entitlement**

- (i) Each Option entitles the Option holder to subscribe for, and be allotted, one ordinary Share in the capital of the Company.
- (ii) Shares issued on the exercise of Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

##### **(b) Exercise of Option**

- (i) The Options are exercisable at any time from the issue date.
- (ii) The final date and time for exercise of the Options is 5pm (AEDT) on 24 December 2022. If such date falls on a day that is not a Business Day, the final date will be the next Business Day.
- (iii) The exercise price per option is \$0.015 (1.5 cent).
- (iv) Each Option is exercisable by the Option holder signing and delivering a notice of exercise of Option together with the exercise price in full for each Share to be issued upon exercise of each Option to the Company's Share Registry. Unless a holder is exercising all of their Options, Options must be exercised in parcels of not less than 1,000.
- (v) The Options cannot be exercised if, as a result of the exercise, the Optionholder or any of its associates would breach the provisions of Chapter 6 (and specifically section 606) of the Corporations Act.
- (vi) Remittances must be made payable to 'Stellar Resources Limited' and cheques should be crossed 'Not Negotiable'.
- (vii) All Options will lapse on the earlier of the
  - (A) receipt by the Company of notice from the Option holder that the Option holder has elected to surrender the Option; and
  - (B) expiry of the final date and time for exercise of the Option.
- (viii) In the event of liquidation of the Company, all unexercised Options will lapse.

##### **(c) Quotation**

- (i) Subject to meeting the requirements of ASX and the Corporations Act, the Company may apply to the ASX for Official Quotation of the Options but makes no guarantee that it will make any such application, or that if an application for Official Quotation is made that it will be successful.
- (ii) If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Options within 10 Business Days (as defined in the Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.

##### **(d) Participation in Securities Issues**

*Subject to paragraph (e) below, the holder is not entitled to participate in new issues of securities without exercising the Options.*

##### **(e) Participation in a Reorganisation of Capital**

- (i) In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of an Option holder will be changed in accordance with the Listing Rules of the ASX applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Options do not result in any benefit being conferred on the Option holder which is not conferred on Shareholders of the Company.

(ii) In any reorganisation as referred to in paragraph (e)(i), Options will be treated in the following manner:

- (A) in the event of a consolidation of the share capital of the Company, the number of Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
- (B) in the event of a subdivision of the share capital of the Company, the number of Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
- (C) in the event of a return of the share capital of the Company, the number of Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary share;
- (D) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Options and the exercise price of each Option will remain unaltered;
- (E) in the event of a pro-rata cancellation of shares in the Company, the number of Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Option will be amended in inverse proportion to that ratio; and
- (F) in the event of any other reorganisation of the issued capital of the Company, the number of Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Option holder which are not conferred on shareholders.

**(f) Adjustments to Options and Exercise Price**

- (i) Adjustments to the number of Shares over which Options exist and/or the exercise price may be made as described in paragraph (f)(ii) to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues.
- (ii) The method of adjustment for the purpose of paragraph (f)(i) shall be in accordance with the Listing Rules of the ASX from time to time, which, under Listing Rules 6.22.2 and 6.22.3, currently provide:

*(A) Pro Rata Cash Issues*

Where a pro-rata issue is made (except a bonus issue) to the holders of underlying securities, the exercise price of an Option may be reduced according to the following formula:

$$O' = \frac{O - E[P - (S + D)]}{N + 1}$$

where:

- O' = the new exercise price of the Option.
- O = the old exercise price of the Option.
- E = the number of underlying securities into which one Option is Exercisable.
- P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price for a security under the pro-rata issue.
- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

*(B) Pro-Rata Bonus Issues*

If there is a bonus issue to the holders of the underlying securities, on the exercise of any Options, the number of Shares received will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price will not change.

## ANNEXURE B

I, \_\_\_\_\_, provide the following confirmation:

- I have not returned from overseas within at least the last 14 days.
- I have not had any of the symptoms associated with novel coronavirus (COVID-19) for at least the last 14 days e.g. fever, cough, shortness of breath, chills, body aches, sore throat, headache and runny nose.
- As far as I am aware, I have not come into contact with a person who has returned from overseas travel within at least the last 14 days.
- As far as I am aware, I have not come into contact with someone who has tested positive for COVID-19 within at least the last 14 days.

\_\_\_\_\_  
Signature



#### 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 10.00am (AEST) on Monday, 8 June 2020.**

### 🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/srzgm2020>
- 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 securityholder 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 **10.00am (AEST) on Monday, 8 June 2020.** 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** <https://www.votingonline.com.au/srzgm2020>
- 📠 **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

ACN 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 securityholder) 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 General Meeting of the Company to be held at **Level 4, 100 Albert Road, South Melbourne VIC 3205 on Wednesday, 10 June 2020 at 10.00am (AEST)** or 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 3, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 3 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 3). 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.

		For	Against	Abstain*
Resolution 1	Ratification of Prior Issue of Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Prior Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Non-Executive Director Share Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### STEP 3 SIGNATURE OF SECURITYHOLDERS

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 / / 2020