

Stellar Resources

ASX Announcement



14 September 2020

Capital Structure

Shares: 442,714,441
Share Price (SRZ): 1.9 c
Unlisted Options: 37,000,000
Share Rights 5,161,190

Commodity

Tin Price: US\$18,233/t
Gold Price: US\$1,947/Oz
Exchange Rate US\$ 0.73

Main Shareholders

European Investors 16.5%
Capetown SA 14.1%

Board & Management

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

Melanie Leydin
Company Secretary

Placement and Entitlement Offer to Raise \$2m

Stellar Resources Limited (ASX: SRZ, "Stellar" or the "Company") is pleased to announce that firm commitments have been received from clients of lead manager, Taylor Collison to raise approximately \$2.179 million (before costs) ("**Capital Raising**"). The Capital Raising has been structured as a placement raising \$0.3 million ("**Placement**"), followed by a fully underwritten, Non-Renounceable Entitlement Offer ("**Entitlement Offer**") to raise approximately a further \$1.879 million.

Placement

The Company has received binding commitments for a placement of 27,272,727 shares at the Issue Price of \$0.011 (1.1 cents) per share to raise \$300,000 (before costs) from sophisticated, professional and other exempt investors. The issue price of \$0.011 represents a discount of 35% to the Company's 30-day VWAP of \$0.017 (1.7 cents) as at 10 September 2020.

Settlement of the placement shares is due tomorrow (Tuesday, 15 September). The placement shares will be issued within the Company's existing 15% placement capacity under ASX Listing Rule 7.1.

Non-Renounceable Entitlement Offer

The Company is also undertaking a fully underwritten, Non-Renounceable Entitlement Offer which will offer eligible shareholders the opportunity to subscribe for two (2) new fully paid ordinary shares for every five (5) existing fully paid ordinary shares held at an issue price of \$0.010 (1.0 cent) per share, which represents a discount of 41% respectively to the Company's 30-day VWAP of \$0.017 (1.7 cents) as at 10 September 2020 ("**Issue Price**"). Taylor Collison has received binding commitments from its underwriters and have confirmed that the Entitlement Offer is fully underwritten.

The Entitlement Offer will result in the issue of 187,994,800 shares to raise approximately \$1,879,948 (before costs). The Entitlement Offer will be offered to all shareholders with registered addresses in Australia and New Zealand who hold shares as at 7.00pm (AEST) on the record date being Thursday, 17 September 2020.

The Underwriter, being Taylor Collison has agreed to take up any shortfall shares under the Entitlement Offer, accordingly no additional shares will be offered or issued to the eligible shareholders.

ASX Code: SRZ

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All of Stellar's Directors will take up their full entitlements under the Entitlement Offer, through their nominee entities. Additionally, Stellar's Directors, Mr Simon O'Loughlin, Mr Simon Taylor and Mr Thomas Whiting, have agreed to sub-underwrite the Entitlement Offer to a combined total amount of approximately \$120,000, through their nominee entities. Mr Simon O'Loughlin, Mr Simon Taylor and Mr Thomas Whiting have waived any entitlement to receive fees from the Underwriter in respect of their sub-underwriting.

Funds raised pursuant to the Placement and Entitlement Offer will be used to facilitate funding of the Company's exploration and minerals projects and for general working capital requirements of the company. A key part of this is expected to be funding of the Company's North East Tasmania gold exploration program subject to granting of the 10 Exploration Licences applied for on 10 September 2020.

New shares issued under the Placement and Entitlement Offer will rank equally with the shares already on issue and the Company will apply to the ASX for quotation of the new shares.

The Company will pay Taylor Collision a capital raising fee of 6% of funds raised under the Capital Raising.

Indicative Event Dates for Entitlement Offer

The intended timetable for the Entitlement Offer is as follows:

Event	Date
Announcement of Placement & NREO	Prior to market open Monday, 14 September 2020
Lodge ASX Appendix 3B	Prior to market open Monday, 14 September 2020
Lodge S708AA(2)(f) Cleansing Notice	Prior to market open Monday, 14 September 2020
Settlement of Placement	Tuesday, 15 September 2020
Lodge ASX Appendix 2A for Placement & S708A(5)(e) Cleansing Notice	Tuesday, 15 September 2020
"Ex" date	Wednesday, 16 September 2020
Record date	Thursday, 17 September 2020
Despatch and Lodge of Offer Documents	Monday, 21 September 2020
NREO Opening Date	Monday, 21 September 2020
Last day to extend NREO Closing Date	Thursday, 1 October 2020
NREO Closing Date	5.00pm Tuesday, 6 October 2020
Shares quoted on deferred settlement basis	Wednesday, 7 October 2020
Announcement of results of NREO	Friday, 9 October 2020
Issue shares and lodge ASX Appendix 2A	Prior to 12.00pm Tuesday 13 October 2020
Shares commence trading on a regular basis	Wednesday, 14 October 2020

**The above timetable is indicative only and subject to change. The quotation of New Shares is subject to ASX approval. Subject to the ASX Listing Rules and Corporations Act and other applicable laws, the Company reserves the right to vary these dates, accept late applications (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the Entitlement Offer will have a consequential effect on the issue date of the New Shares.*

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

“We are pleased to extend to the shareholders the opportunity to participate in the Capital Raising through the Entitlement Offer. The Capital Raising is a very positive outcome for the Company and will enable us to progress with our gold exploration program in North East Tasmania. Thank you to all shareholders who will support the Entitlement Offer and for your ongoing support of the Company.”

-Ends-

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

For further details please contact:

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Director

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Or visit our Website at:

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