

STELLAR SUCCESSFULLY RAISES \$3.6M IN PLACEMENT

Highlights

- Stellar has received firm commitments of \$3.6M through a successful Placement
- The Placement was strongly supported by both existing and new professional and sophisticated investors
- Stellar now fully funded for its upcoming 2021 Tin Exploration Drilling Program, aimed at identifying new high-grade mineralisation external to the Heemskirk Tin Project.

Placement

Stellar Resources Limited (ASX: SRZ, “Stellar” or the “Company”) is pleased to announce that it has received firm commitments to raise \$3.6 million (before costs) by way of a Placement of 163,636,364 fully paid ordinary shares (**Shares**) at \$0.022 (2.2 cents) per share (**Placement**).

Stellar Chairman Simon O’Loughlin said “We are pleased to receive commitments from new and existing shareholders who have recognised the value and potential of Stellar’s Tin assets, including the Heemskirk Tin Project. The proceeds from the Placement will enable the Company to be fully funded for its upcoming drilling program, aimed at identifying new areas of high-grade tin mineralisation which will target depth extensions of 4 of the largest historical silver-lead mines in the highly mineralised Zeehan area which typically produced ore with silver grades between 20 to 100 Oz/t Ag.”

Use of Funds

The equity capital raised from the Placement will be utilised to fund the upcoming Tin drilling program. Key targets for the program include:

- Oonah Mine and Resource (2 * 400m- angled diamond holes) – Large historical mine with 2.0 MOz recorded silver production (mined to ~120m depth)
- Montana No. 1 Mine (2 * 500m-600m angled diamond holes) – The largest historical mine with 7.1 MOz recorded silver production (mined to ~200m depth).
- Zeehan Western Mine (2 * 400m angled diamond holes) - one of the largest historical mines with 4.8 MOz recorded silver production (mined to ~100m depth).
- Zeehan Queen No. 4 (1 * ~300m angled diamond hole) - Large historical mine with 2.0 MOz recorded silver production (mined to ~70m depth).

Refer to the Company’s announcement released to the ASX on 18 February 2021 for further details on the upcoming drilling program.

Placement Details

The Placement will be conducted in two tranches. The first tranche of 90,909,090 Shares (**Tranche 1**) will utilise the Company's available 15% capacity pursuant to ASX Listing Rule 7.1. The remaining 72,727,274 Shares (**Tranche 2**) will be subject to shareholder approval, to be obtained at a general meeting proposed to be held on or around 4 May 2021. Tranche 1 totalling A\$2.0 million will settle on Tuesday 23 March 2021 and Tranche 2 totalling A\$1.6 million will settle on or around Thursday 6 May 2021.

The issue price for the Placement represents a 33.5% discount to the 15-day volume weighted average market price.

Taylor Collison acted as sole Lead Manager and Bookrunner to the Placement.

For further details please contact:

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