

\$10 MILLION PLACEMENT TO ACCELERATE DRILLING AND MINE STUDIES AT HEEMSKIRK TIN PROJECT

HIGHLIGHTS:

- The Company has received firm commitments to raise **\$10 million via a Placement** (before costs), at \$0.019 (1.9 cents) per share, representing a **4.6% premium** to Stellar's 30-day VWAP.
- The Placement was corner-stoned by two institutional investors, the **Paradise Fund committing \$3.9 million and Regal Funds Management committing \$3.0 million.**
- Placement proceeds will allow Stellar to accelerate drilling and complete Feasibility Studies at the Heemskirk Tin Project in western Tasmania that continues to rank as the highest-grade undeveloped tin resource in Australia and the third globally.
- At the completion of the Placement the Company will have a **strong cash position of ~\$14 million** to advance development activities at Heemskirk to take advantage of the looming tin deficit.
- Since late 2023, the **tin price has surged by approximately 51%**, from a low of US\$22,910/t to **US\$34,575 as of 20 May 2024.**¹

Stellar Resources Limited (ASX: SRZ, "Stellar" or the "Company") is pleased to announce a Placement to raise \$10,000,000 ("**Placement**") to sophisticated and professional investors at an issue price of \$0.019, representing a:

- 3.7% discount to SRZ's 5-day volume weighted average price ("VWAP");
- **2.9% premium to SRZ's 15-day VWAP**; and a
- **4.6% premium to SRZ's 30-day VWAP.**

¹ Sources: https://www.westmetall.com/en/markdaten.php?action=table&field=LME_Sn_cash

The Company secured commitments from two cornerstone investors, with Paradise Investment Management Pty Ltd, in respect of one of its strategies, (the “**Paradice fund**”) committing to invest approximately \$3.9 million and Regal Funds Management \$3.0 million (“**Cornerstone Investors**”). The Cornerstone Investors will be substantial shareholders at the completion of Tranche One of the Placement.

Stellar’s Executive Chairman Mr Simon Taylor commented:

“This Placement is a fantastic achievement for Stellar, giving the Company an enviable cash position of over \$14 million. I would like to thank both the Paradice Fund and Regal Funds Management for their commitments to the Placement and welcome them to the register as substantial holders in Stellar.”

“The funds raised will be critical to advancing our world class Heemskirk Tin Project through to development, as we look to accelerate drilling programs to aid our Scoping Study and Pre-Feasibility Study later this year. Tin has seen a major resurgence since the start of the 2024 following supply issues from Myanmar, Indonesia and the DRC, which when coupled with increasing demand has seen the Tin Price push to over \$US34,000 per tonne. Our Heemskirk Project is well positioned to diversify the supply chains and fill the looming tin deficit.”

Placement:

The Company has raised \$10 million by way of Placement of 526.3 million new shares (“**Shares**”) to sophisticated and professional investors. The Company has obtained firm commitments from two Cornerstone Investors, Paradice Fund (\$3.9 million) and Regal Funds Management (\$3.0 million), who have participated in the Placement for a combined amount of \$6.9 million.

The Placement will take place under two-tranches. The first tranche will be issued in accordance with the Company’s available placement capacity pursuant to ASX Listing Rule 7.1 and 7.1A and will be up to a total of 388.4 million Shares (“**Tranche One**”). The second tranche will issues 137.9 million shares subject to receiving approval from shareholders at an extraordinary meeting to be held around July 2024 (“**Tranche Two**”).

Taylor Collison Limited and Bell Potter Securities Limited acted as Joint Lead Managers (“**JLMs**”). The fees of the JLMs are disclosed within the Company’s Appendix 3B announcement.

The Shares issued under the Placement will rank pari passu with the Company’s existing fully paid ordinary shares on issue

Use of Funds

Funds raised under the Placement will be used to conduct extensive drilling across the Heemskirk Tin Project to improve the resource category and test for extensions to the known mineralisation. The Company is in the process of completing an updated Scoping Study using the September 2023 Mineral Resource Estimate (MRE) of **7.48Mt @ 1.04% Sn for 77.87kt of contained tin**, which is

anticipated to be completed in Q3 2024.

In parallel the Company will advance metallurgical testwork and necessary environmental baseline studies as the Company progresses the Heemskirk Tin Project to development.

Indicative Placement Timetable*

| Event | Date |
|---|------------------------|
| Settlement of Tranche One Placement Securities | Wednesday, 29 May 2024 |
| Allotment of Tranche One Placement Securities | Thursday, 30 May 2024 |
| General Meeting to approve Tranche Two Securities | July 2024 |
| Settlement of Tranche Two Securities | July 2024 |
| Allotment of Tranche Two Securities | July 2024 |

* The dates in this table are indicative only and the Company reserves the right to vary these dates, subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws.

– ENDS –

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

For further details please contact:

Simon Taylor

Executive Chairman & CEO

Stellar Resources Limited

T: 0409 367 460

E: simon@stellarresources.com.au

For broker and media enquiries:

Zander Beacham

Associate Advisor

White Noise Communications

T: 0433 515 723

E: zander@whitenoisecomms.com

About Stellar Resources:

Stellar Resources (ASX:SRZ) is focussed on developing its world class Heemskirk Tin Project located in the mining friendly jurisdiction of Zeehan, Western Tasmania. The Company has defined a substantial high-grade resource totalling 7.48Mt at 1.04% Sn, containing 77.87kt of tin. This ranks the Heemskirk Project as the highest-grade undeveloped tin resource in Australia and third globally.

The focus for the Company going forward will be to complete exploration and resource drilling at the Heemskirk Project to further grow the resource and improve the confidence by defining more tonnes in the indicated and measured category. Currently, a large proportion of the resource is classified in the indicated category totalling 3.52Mt at 1.05% Sn for 37kt of contained tin.

Stellar also made a major discovery at its North Scamander Project in September 2023, with a maiden exploration drillhole intersecting a significant new high-grade silver, tin, zinc, lead and Indium polymetallic discovery. The Company has also delineated multiple down hole conductions via DHEM and FLEM surveys, providing high-priority follow up targets.

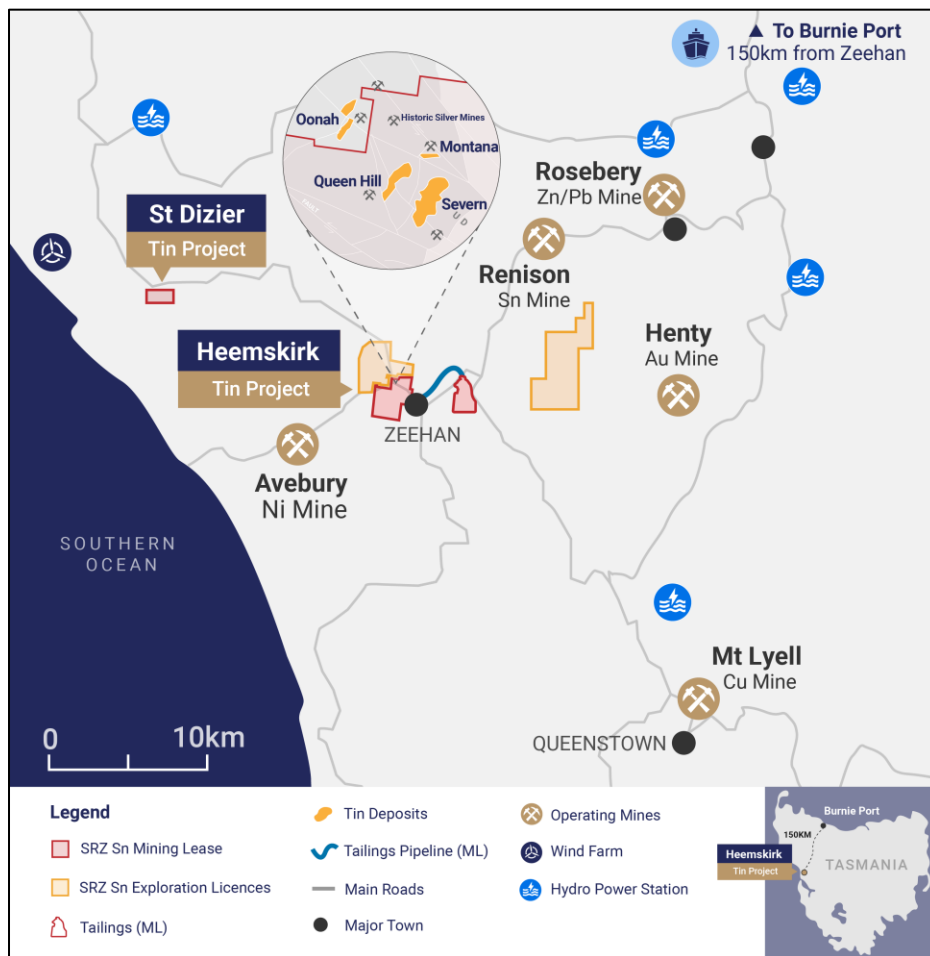


Figure 1 – Stellar Resources Heemskirk Tin Project Location