



Heemskirk Tin Project - Tasmania

CEO: Peter Blight

September 2013

ASX: SRZ

www.stellarresources.com.au

Agenda

- ❑ Company Overview
- ❑ Tin market update
- ❑ Achievements on \$10 million
- ❑ Targets for the next \$3 million
- ❑ Relative Valuation

Corporate Snapshot



ASX Code	SRZ (listed April 2005)
Shares on Issue	223.4M
Share Price	5.6c (12 month range: 4-16c)
Market Capitalisation	\$13M
Cash	\$2.2M (Jun 13)
Investments	\$0.2M

Ownership Structure

Top 20	60.6%
S Bunnenberg	18.4%
RCF	16.2%
JP Morgan Noms	11.0%
HSBC Noms	2.9%

Board & Management

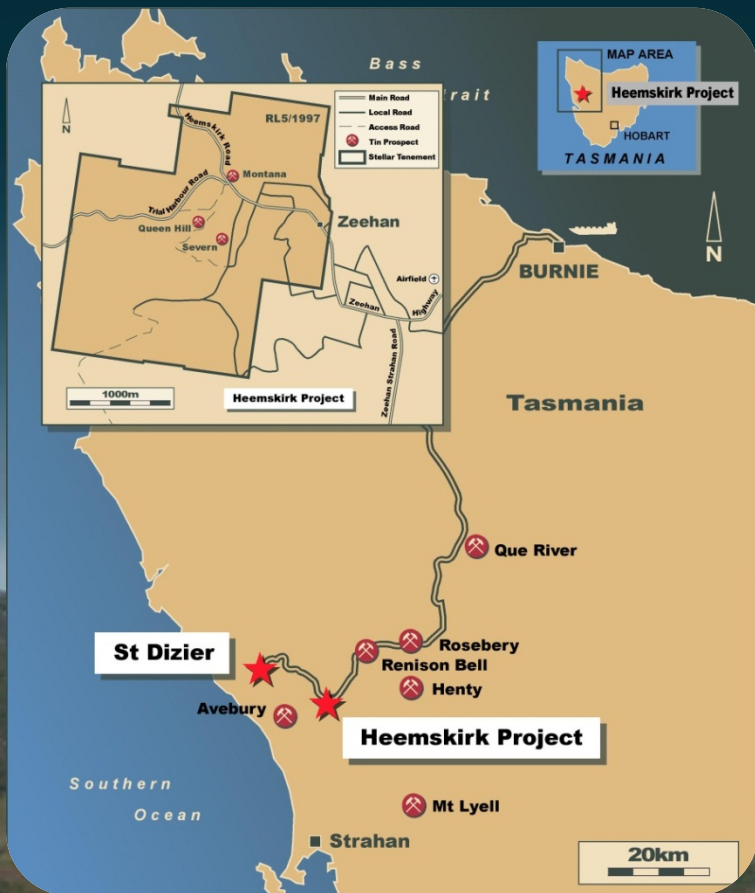
Phil Harman	Non-Exec Chairman
Tom Burrowes	Non-Exec Director
Dr Markus Elsasser	Non-Exec Director
Dr David Isles	Non-Exec Director
Dr Tom Whiting	Non-Exec Director
Peter Blight	Chief Executive Officer
Chris Kemp	Company Secretary

Tin consumers need new mines



- ❑ Alluvial supply less reliable and facing rising costs
- ❑ Concentrate shortage for several years
- ❑ Security of supply a major issue for end-users
- ❑ New supply to come from hard rock mines
- ❑ Hard rock mines provide greater certainty of supply
- ❑ Incentive tin price for new production is US\$25,000/tonne
- ❑ LME tin price within 20% of incentive price

Great Location



- 100% owned Heemskirk tin project
- 100% owned St Dizier tin deposit
- Significant mining district
- Easy access to water & power
- Sealed road between both deposits
- Rail & road connects to Burnie Port
- 18km from Australia's largest tin mine - Renison Bell

Significant Achievements at Low Cost



Outcomes achieved on \$10 million of project spending to date

- ❑ Maximised tin price leverage by moving to 100% ownership.
- ❑ Increased resource by 49% to 71,500t contained tin worth \$1.6bn.
- ❑ High grade intersections – best of 7m@4% tin in ZS113.
- ❑ Demonstrated recovery of 74% at Severn – Overall average of 70%.
- ❑ Competitive mine gate cost of US\$14,389/t from PFS.
- ❑ Technical and economic viability with NPV of \$61 million or 27 cents per share – upside case of \$102 million

Increased JORC Mineral Resource



- 49% increase in contained tin to 71,500 tonnes (from 48,000 tonnes)
- Resource risk reduced through greater geological consistency

Classification	Deposit	Tonnes millions	Grade % tin	Contained Tin tonnes
Indicated	All	1.41	1.26	17,790
Inferred	All	4.87	1.10	53,710
Total		6.28	1.14	71,500
Indicated	Queen Hill	1.41	1.26	17,790
Inferred	Queen Hill	0.19	1.63	3,090
	Severn	4.17	0.98	40,900
	Montana	0.51	1.91	9,710
Total		6.28	1.14	71,500

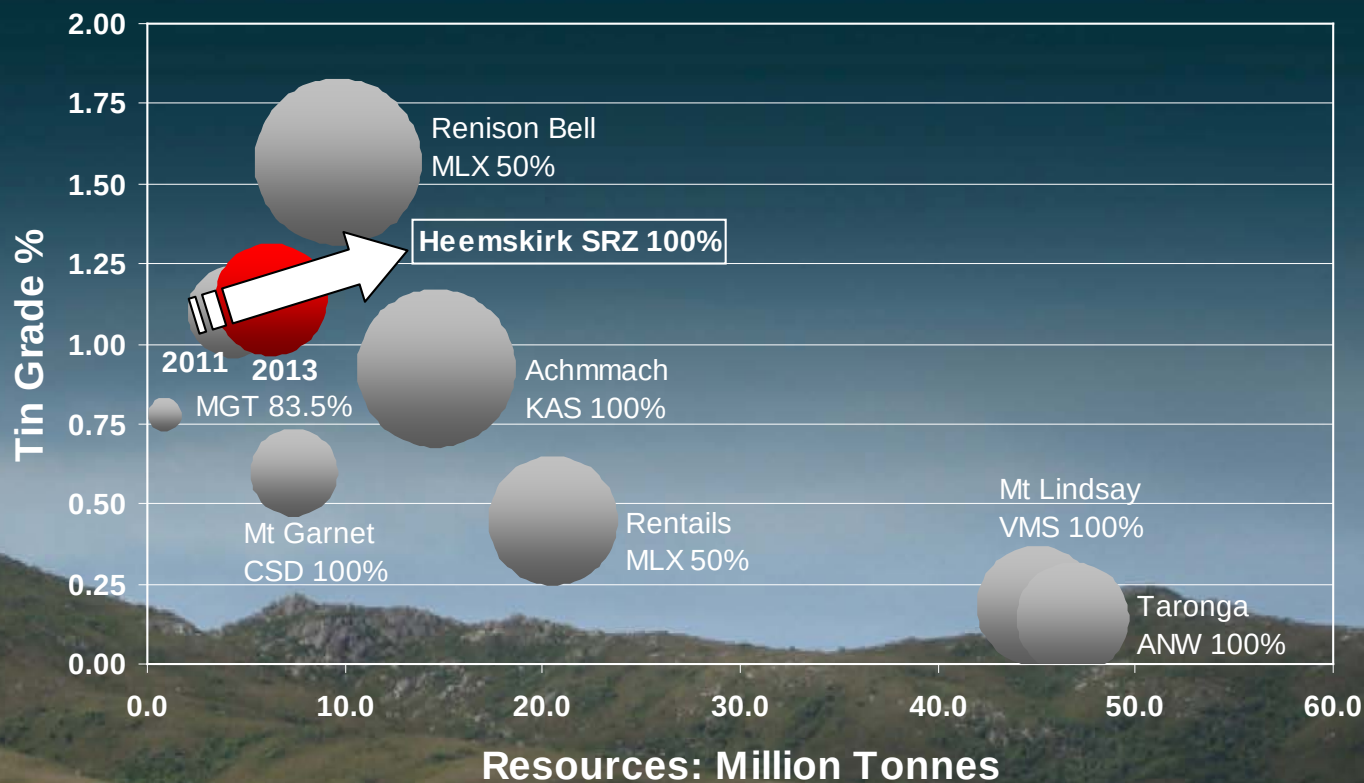
0.6% tin block cut-off grade

Tonnes rounded to reflect uncertainty of estimate

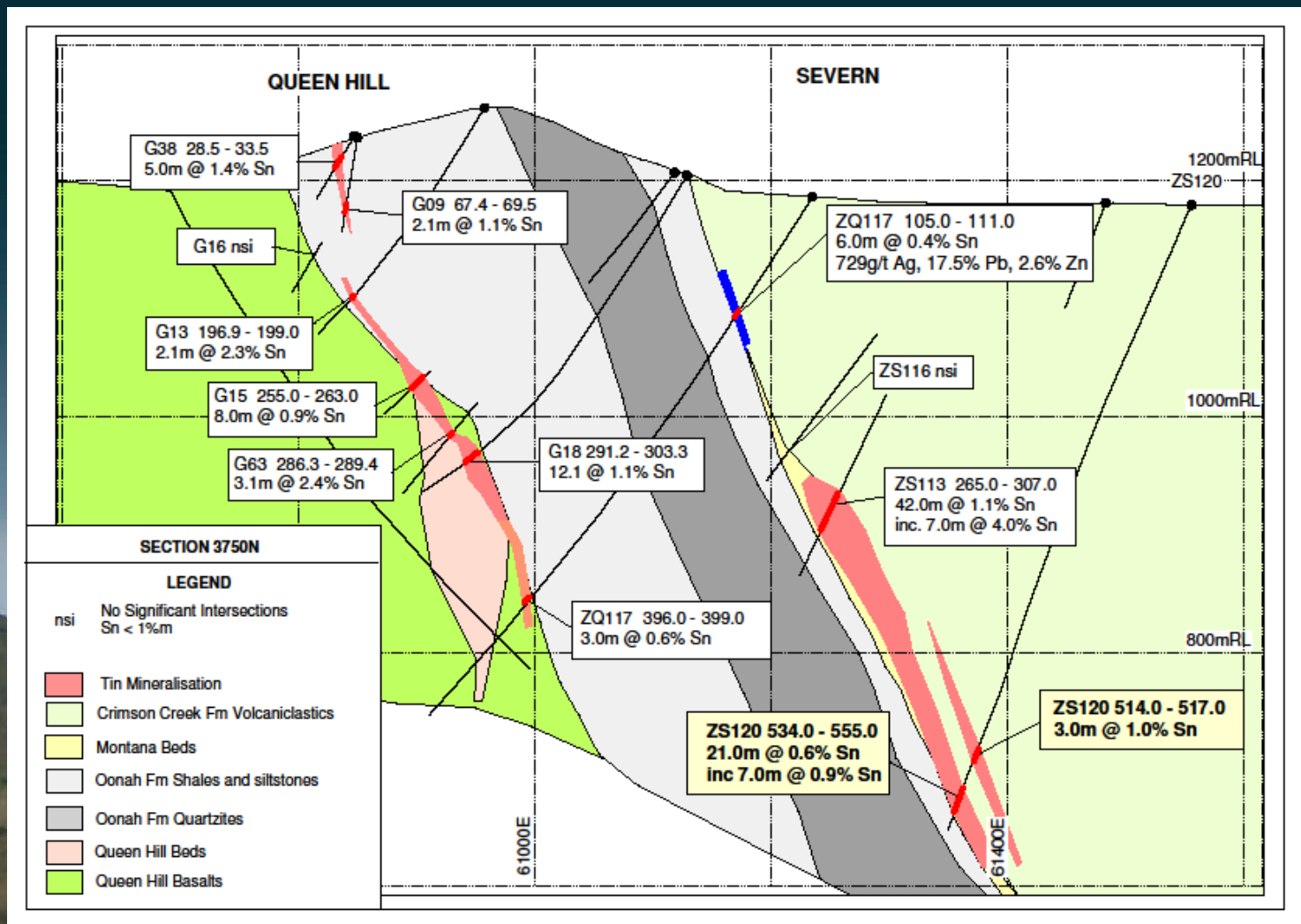
Estimates prepared by Resource and Exploration Geology

Grade and tonnage rising

Heemskirk: highest grade undeveloped ASX listed tin resource



High grade intersections – ZS113



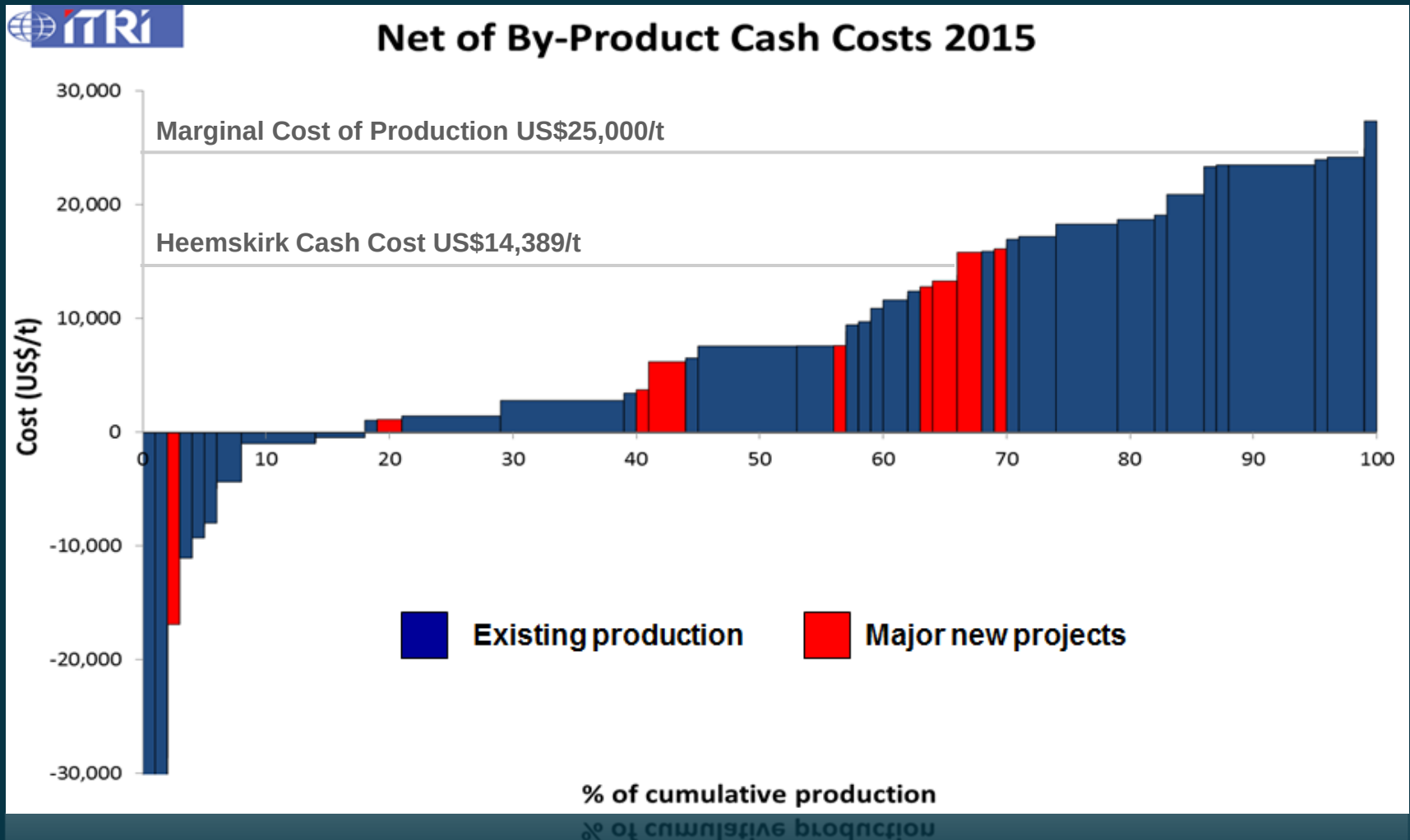
Demonstrated recovery – further optimisation planned



- ❑ ALS AMMTEC testing typical high sulphide tin flow-sheet - similar circuit to Renison Bell mill.
- ❑ More than 98% of tin present as tin oxide mineral cassiterite.
- ❑ Rejection of 20% ROM with heavy liquids provides potential for operating and capital cost savings.
- ❑ Test work focused on maximising tin recovery in gravity circuit.
- ❑ Target recovery of 70% into a 50% tin concentrate – achieved 70% into 48% tin concentrate so far – more to come.
- ❑ Plant optimisation at Renison Bell is delivering improved recovery and reduction in unit cost – similar outcomes available at Heemskirk

Competitive mine gate costs

Mine gate cash cost of US\$14,389/t is 42% below industry marginal cost



PFS shows economic viability



Description	Economic Outputs		
Tin price scenarios	-10%	Base Case	+10%
LME tin price US\$/t	22,950	25,500	28,050
NPV _{8%} A\$M	11	61	103
IRR %	10	19	26
Payback years	4.7	3.7	3.1
Operating margin A\$/t ore treated	51	70	86
Total cash surplus A\$M	77	152	215

Base case LME tin price is the median of nine analyst estimates for 2016 and beyond. It is also the marginal cost of tin production according to International Tin Research Institute cost curve analysis.

Next step – adding value for \$3 million

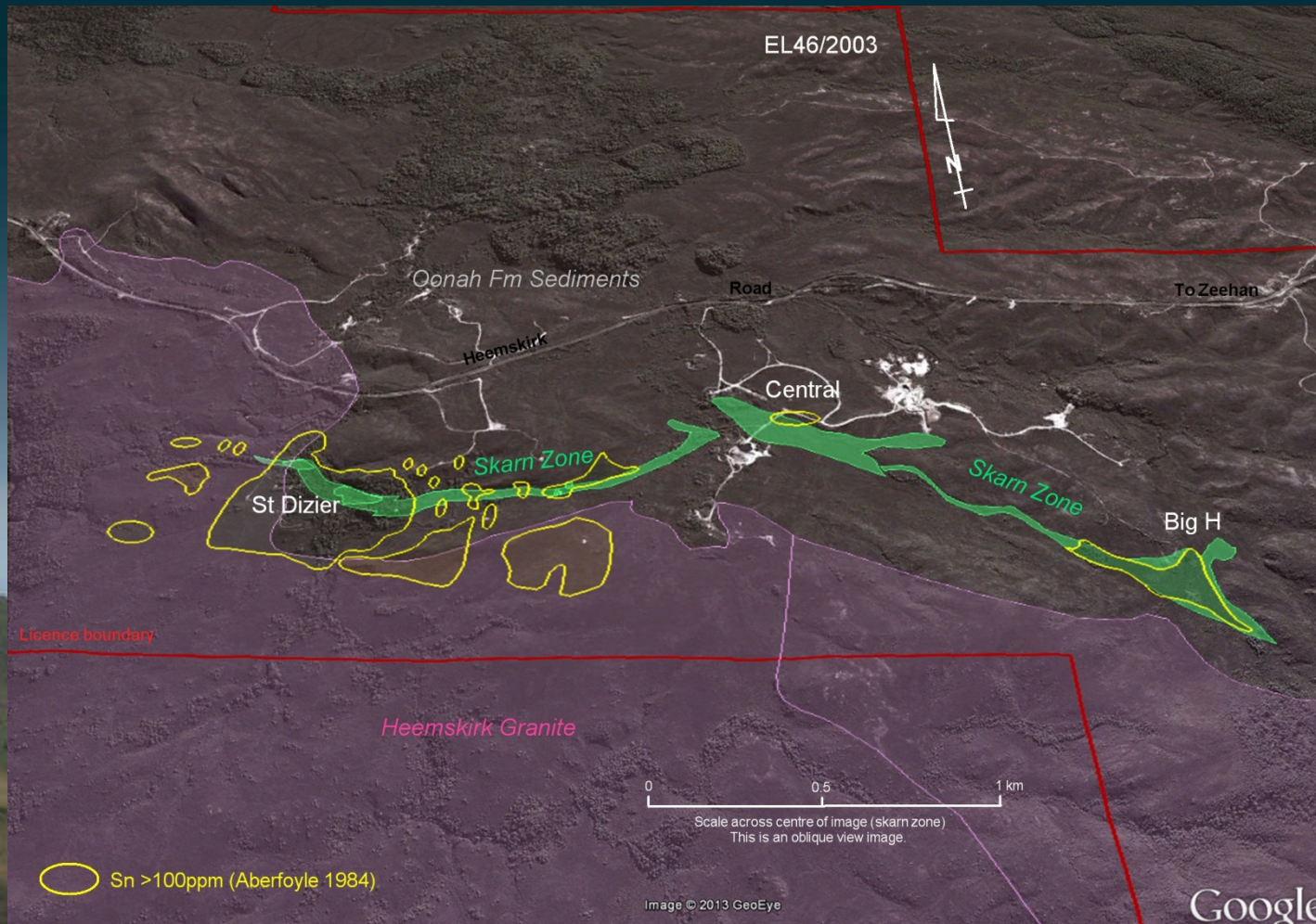
- ❑ 3 diamond drill holes targeting high grade at Severn
- ❑ 2 diamond drill holes targeting gap between Severn and Montana
- ❑ 3 diamond drill holes to extend high grade Lower Queen Hill
- ❑ 3 diamond drill holes targeting near surface mineralisation at St Dizier
- ❑ Upside targets:
 - ✓ Add a fourth ore source to Heemskirk
 - ✓ expand initial mine life from 7 to 10 years
 - ✓ increase NPV to \$100 million



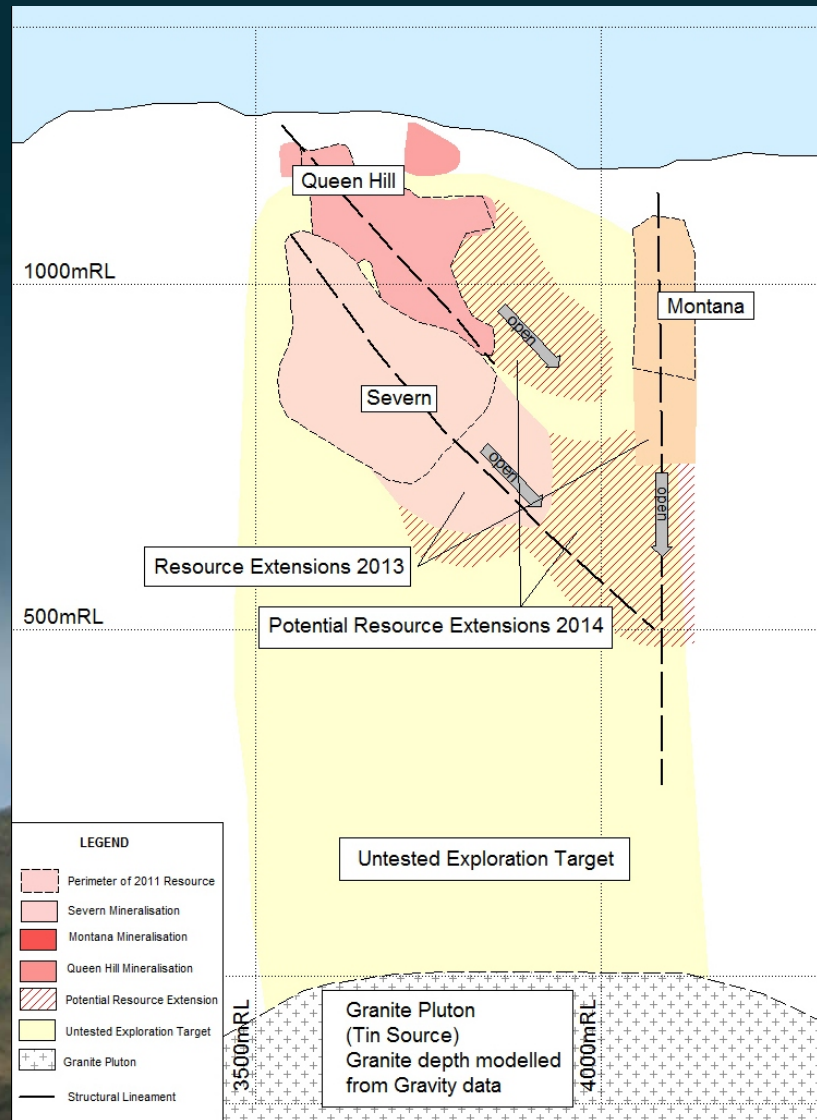


St Dizier – outcropping tin target

2.5 km of tin mineralised skarn



Target area: 1km to granite source



67 500mN

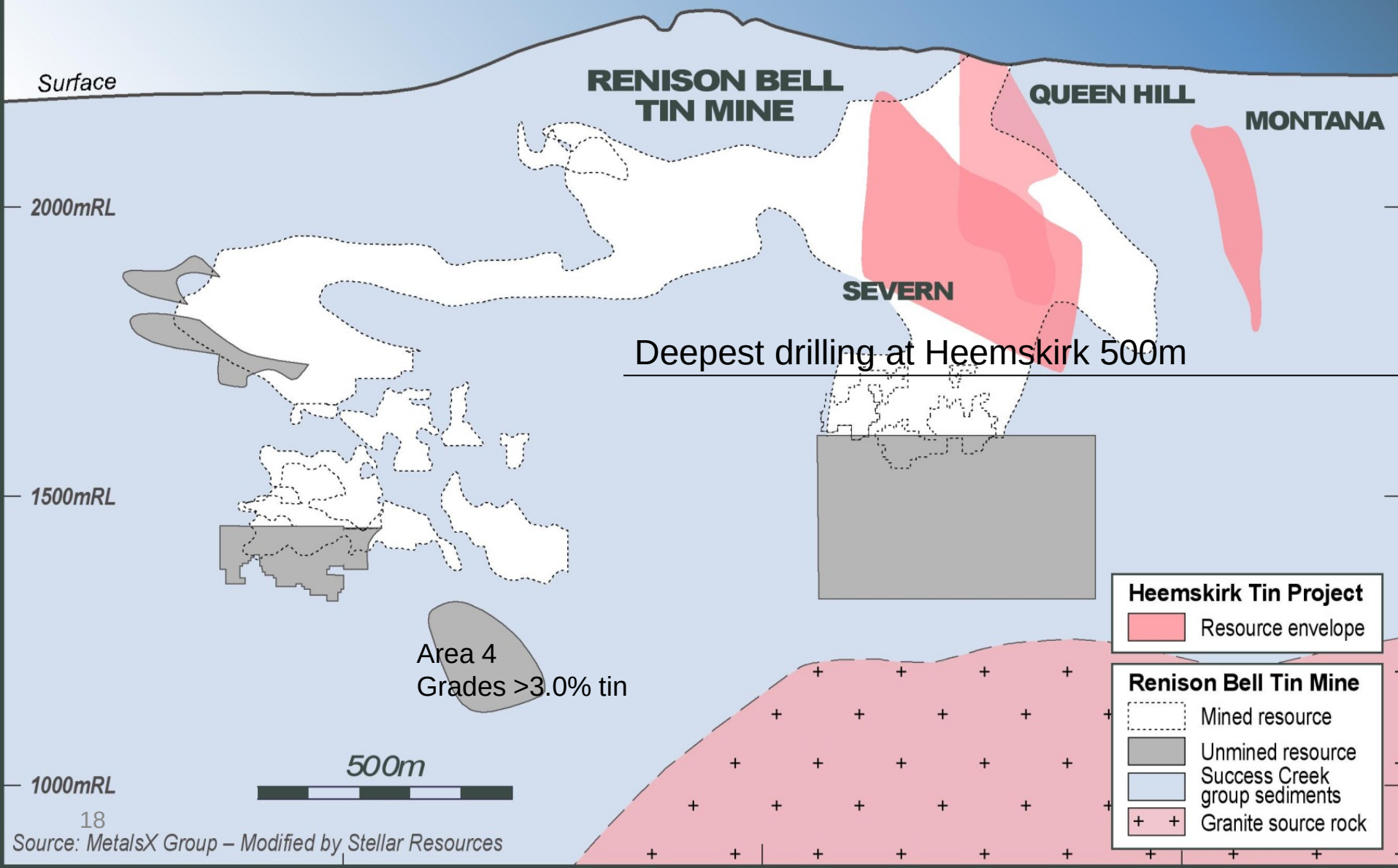
66 000mN

66 500mN

North

South

Heemskirk: The Next Renison?

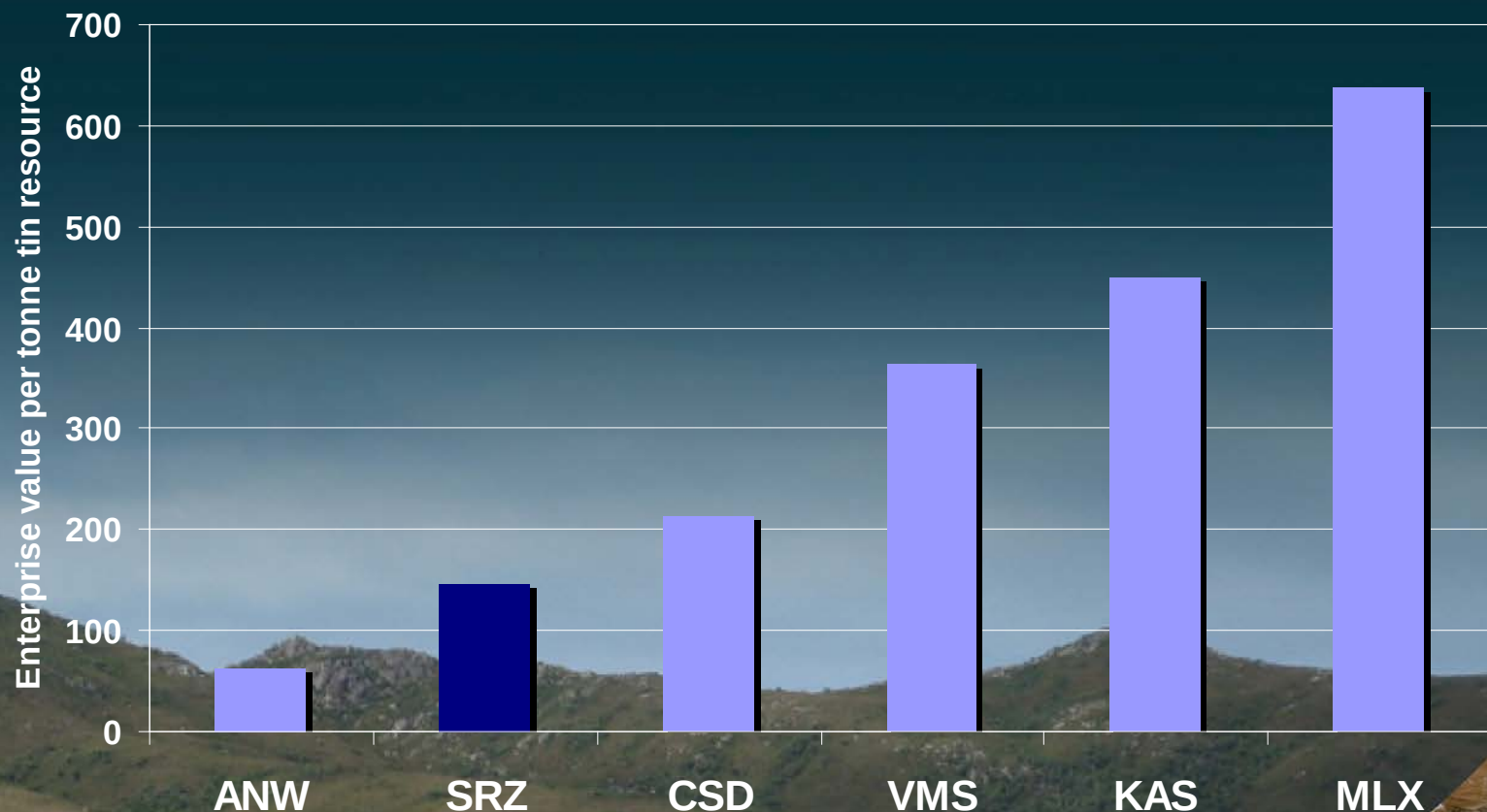


Heemskirk can get much bigger



- ❑ Average drilling depth just 350 metres – deepest holes 500 metres – considerable room for discoveries at depth
- ❑ All deposits remain open
- ❑ Montana @1.9% tin shows potential for high grade discoveries
- ❑ Rension Bell, 18 km to northeast, is the best analogy for Heemskirk
- ❑ Over 60 years, Renison Bell has yielded 350,000 tonnes of tin – with grade increasing at depth
- ❑ Heemskirk, over two years, has increased in size from 48,000 tonnes to 71,500 tonnes of tin in resources – this is just the beginning

Stellar undervalued relative to peers



Disclaimer



Forward Looking Statement

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Competent Persons Statement – Heemskirk Mineral Resource

The information in this report that relates to Mineral Resources was prepared in accordance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code") by Tim Callaghan of Resource and Exploration geology, who is a Member of The Australian Institute of Mining and Metallurgy ("AusIMM"), has a minimum of five years experience in the estimation and assessment and evaluation of Mineral Resources of this style and is the Competent Person as defined in the JORC Code. This report accurately summarises and fairly reports his estimations and he has consented to the resource report in the form and context it appears.

Competent Persons Statement – Heemskirk Mining Inventory

The information in this report that relates to Mining Inventory is based on information reviewed by Phil Bremner, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Bremner is an employee of Mining One Consultants Pty Ltd. Mr Bremner has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC code). Mr Bremner consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

Competent Persons Statement – Exploration

The drill and exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr R.K. Hazeldene who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Hazeldene has sufficient experience relevant to the style of mineralisation and type of deposits being considered to qualify as a Competent Person as defined by the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2004 Edition). Mr Hazeldene consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

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APPENDICES – PFS Result



Preliminary feasibility completed

- Production scheduling: Mining One Pty Ltd
- Geotech and mine design: Mining One Pty Ltd
- Metallurgy: Asther Pty Ltd and ALS AMMTEC
- Plant engineering and infrastructure: GR Engineering Pty Ltd
- Environmental: J Miedecke & Partners Pty Ltd
- Options studies: GR Engineering Pty Ltd



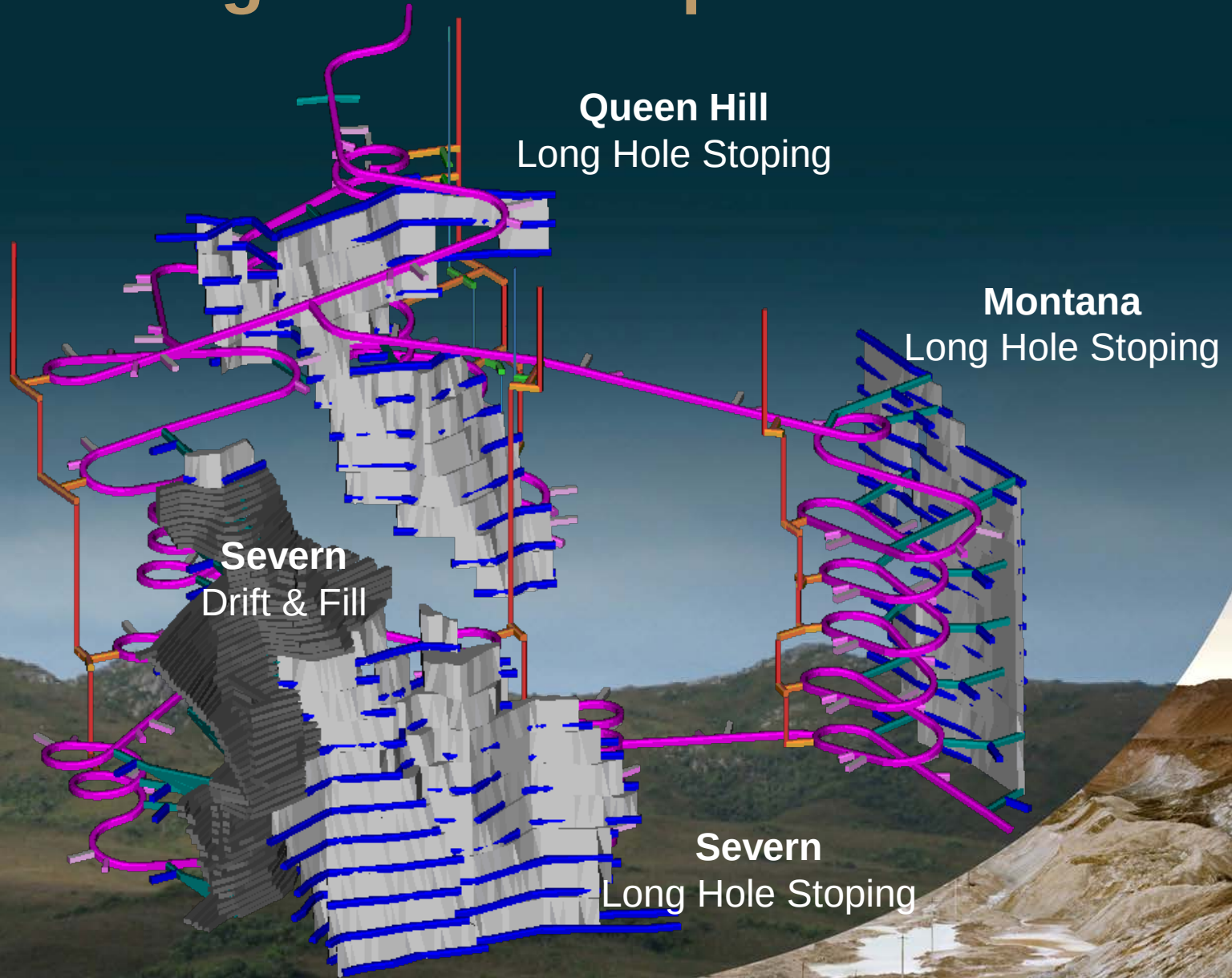
PFS technical and cost summary



Description	Units	Value
Mining inventory	Mt	3.95
Mined ore tin grade	% tin	1.06
Average Mill Throughput	Mtpa	0.6
Initial mine life	Years	6.75
Tin recovery	%	70
Average concentrate grade	%	48
Average tin in concentrate production	tpa	4,327
Mine gate costs	US\$/t tin in concentrate	14,389
Pre-production capital expenditure	US\$M	114

Mining inventory includes indicated and inferred Mineral Resources that have had mining dilution, recovery and economic factors applied to mine design, creating an inventory of potential stope and development tonnes.

PFS underground mine plan



PFS Pre-production capital expenditure

Item	US\$ Million	AU\$ Million
Mine	34.1	37.9
Process facilities including first fills and spares	68.0	75.5
Infrastructure including tailings storage facility	6.4	7.2
Owners costs	1.4	1.5
Contingencies	4.0	4.5
Total project pre-production capital	113.9	126.6

A\$/US\$ exchange rate assumption of 0.90

- Capital requirement reduced by:
 - ✓ Pre-concentration of run of mine ore
 - ✓ Existing infrastructure

PFS life of mine cash operating costs

Item	US\$/t tin in conc	AU\$/t ore
Mining	8,137	65.2
Processing	4,131	33.1
Direct Cash Cost (mining+processing)	12,268	98.3
Mine sustaining	1,735	13.9
Site sustaining	175	1.4
Corporate overheads	212	1.7
Total mine gate operating cost	14,389	115.3

A\$/US\$ exchange rate assumption of 0.90