



Heemskirk Tin Project

Highest grade undeveloped ASX-listed tin project

Proactive CEO Spotlight Investor Session

October 2016

ASX: SRZ

www.stellarresources.com.au

Five reasons to own Stellar

- ✓ Tin price and share price have bottomed
- ✓ Heemskirk is the highest grade undeveloped tin resource listed on the ASX
- ✓ Strong record of achievement
- ✓ Strategy focused on quicker path to production
- ✓ Clear timeline to development

Corporate overview



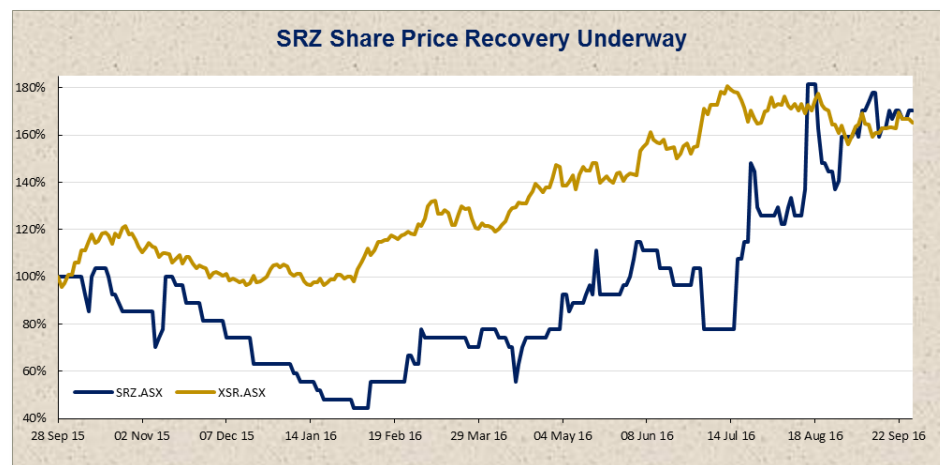
Share price recovery yet to reflect solid achievements at Heemskirk Tin

Company overview

- 100% owner of Heemskirk Tin Project, 150km south of Burnie, Tasmania
- Stand-out high grade resource (1.14% Sn) with vision to be a major Australian tin producer
- Metallurgical optimisation added to the project
- Fast start lowered capex and reduced time to first production

Financial information

Share price (29-Sep-16)	A\$0.046
Number of shares	300.2m
Market capitalisation	A\$13.8m
Cash (30-Jun-16)	A\$1.6m
Debt (30-Jun-16)	No debt
Enterprise value	A\$12.2m
42.5m unlisted options (exercise prices A\$0.06 to A\$0.12, expiring 26-Feb-17 to 20-Nov-19)	



Ownership reflects strong tin investor support

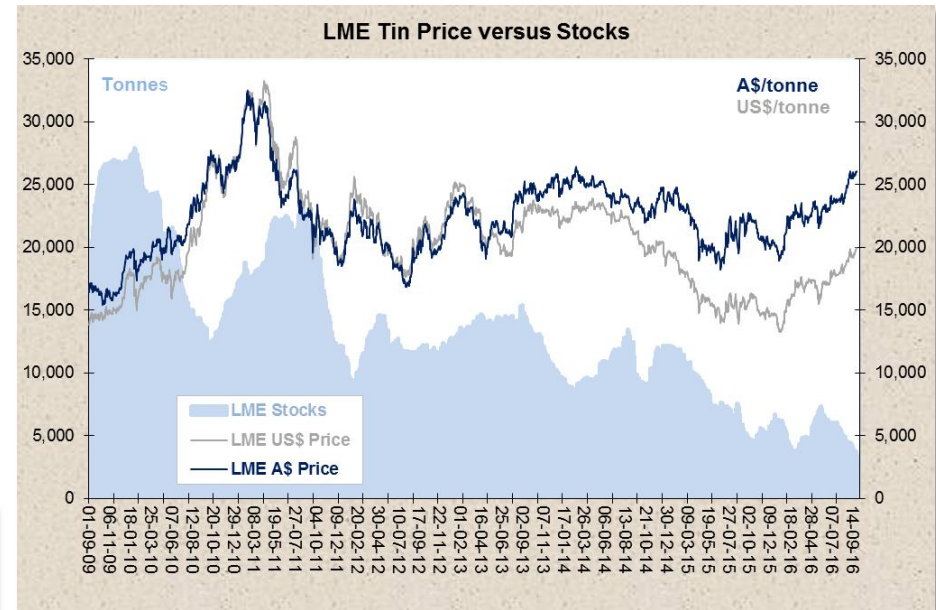
Capetown S.A.	20.8%
Bunnenberg Family	14.9%
Resource Capital Funds	12.0%
Directors & Management	4.2%
Top 20 Shareholders	70.2%

Tin price has bottomed

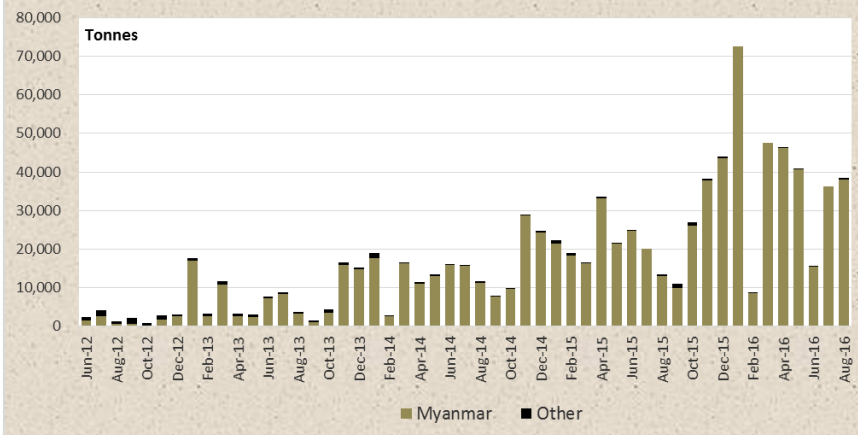
LME tin price is up 51% from its mid-January 2016 low

Supply rationalisation underpinning price

- China announced 17% reduction in tin smelter production in January 2016
- Indonesian tin exports down for the 4th consecutive year due to tighter licence conditions
- Myanmar has emerged as the third largest supplier of tin but is now facing headwinds
- No significant investment in new mine production



Chinese Imports of Tin Concentrate - Monthly



New uses to drive demand growth

- Lead-acid moped batteries a significant new use in China
- Chemical uses of tin growing above trend
- Solder thrifting has now diminished in largest end-use
- New energy capture and storage technologies the game changer for tin?

Myanmar production has peaked ?



According to ITRI tonnes and grade are now declining but stocks are holding shipments up for now

Majority of mining is now underground

- Easy near surface mineralisation has been mined
- Grade is declining from 10-12% at surface towards 2% underground
- More processing capacity is required, increasing capital and operating costs
- Artisanal surface miners being replaced by a few large better capitalised mining companies



to this in 2016



from this in 2014

Challenges of underground mining

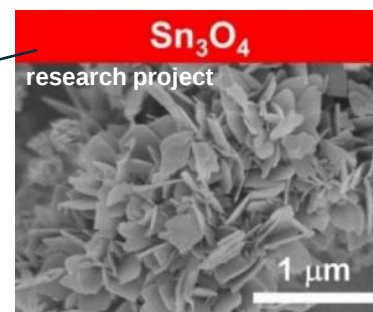
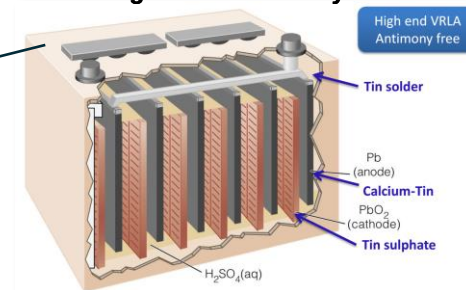
- No pre-production drilling and limited geological analysis
- Adits driven into hill-side below known surface deposits
- No resource estimates and limited mine planning
- Mining unlikely to advance below the water-table using current practices

Tin is an energy metal

ITRI have identified numerous potential new uses for tin in the energy sector

0 to 4th largest end-use in 5 years

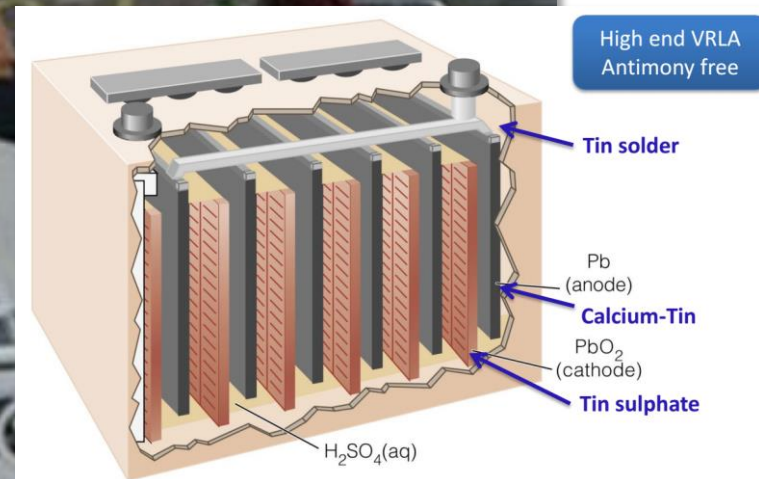
Storage	
Lead-acid	Calcium tin grids, tin sulphate electrolyte
Lithium ion	Tin nanoneedles, Silicon + tin anodes, tin electrolyte
Magnesium ion	Antimony or bismuth tin alloy anodes
Sodium ion	Tin sulphide / carbon anodes
Supercapacitors	Manganese + iron tin oxide anodes
Aluminium Air	Tin alloy addition, tin stannate electrolyte
Fuel Cells	Tin phosphate membrane, molten tin, tin platinum catalyst, tinned copper mesh
Generation	
Solar cells	Copper Zinc Tin Sulphide (CZTS), Tin perovskite
Solar storage	Molten Tin
Thermoelectric	Tin Selenide, Magnesium Stannide
Hydrogen	
Methane to hydrogen	Molten tin
Water splitting	Tin oxide, tin sulphide photocatalysts
Clean Fuel	
Biodiesel catalysts	Iron Tin oxide
Fuel catalysts	Tin antimony alloys



VRLA batteries 4th largest end use



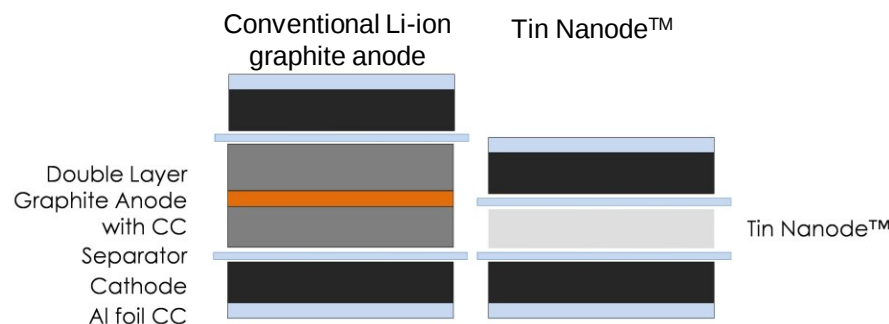
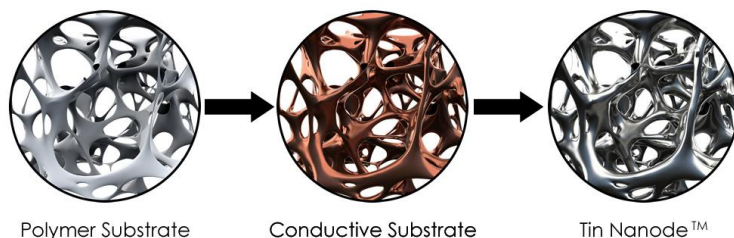
Ebike growth rates approaching 20% pa in China



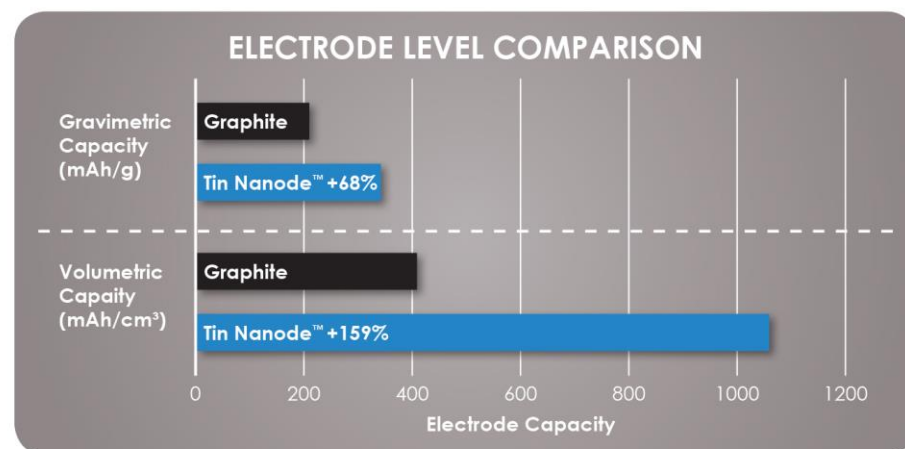
New role for tin in lithium-ion batteries?

Australian energy technology company Nano-Nouvelle has developed a tin based 3D anode that out-performs conventional graphite anodes

The Coating Process



- Tin Nanode™ increases battery storage capacity by up to 50% overcoming limitations of today's technology
- Porous structure of Tin Nanode™ overcomes expansions issues of earlier tin anode technology
- Tin Nanode™ can be produced in high volume at low cost
- Tin Nanode™ can substitute for existing electrodes – no change to the cell assembly process
- US manufacturers trialling Tin Nanode™ in high performance batteries
- Volume global battery makers also considering the merits of Tin Nanode™ technology

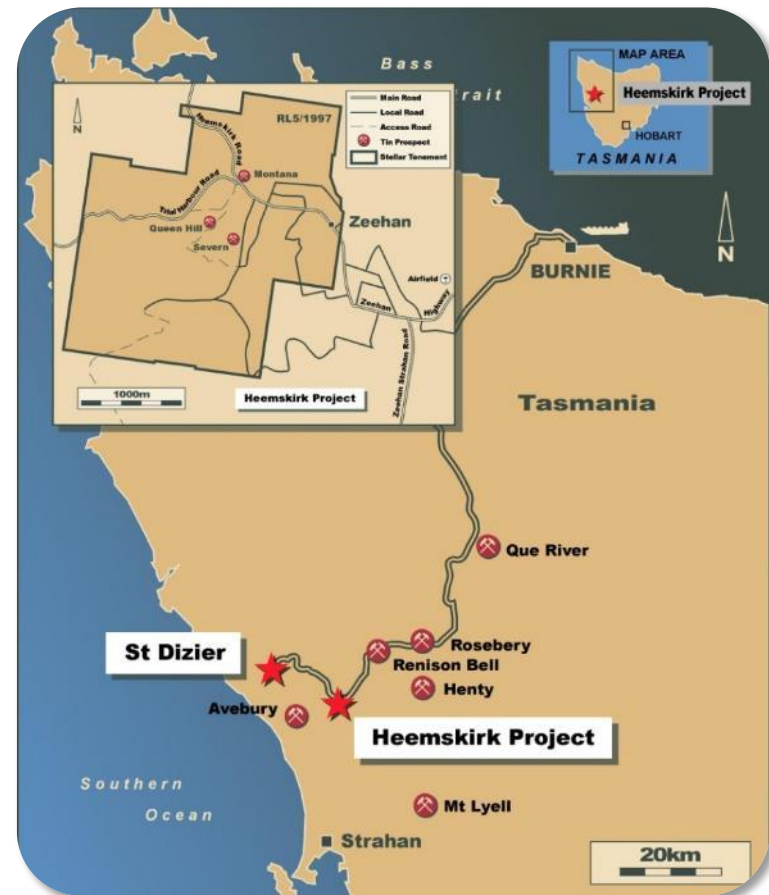


Images are courtesy of Nano-Nouvelle

Best location for a new mine

North-west Tasmania is a world-class tin jurisdiction

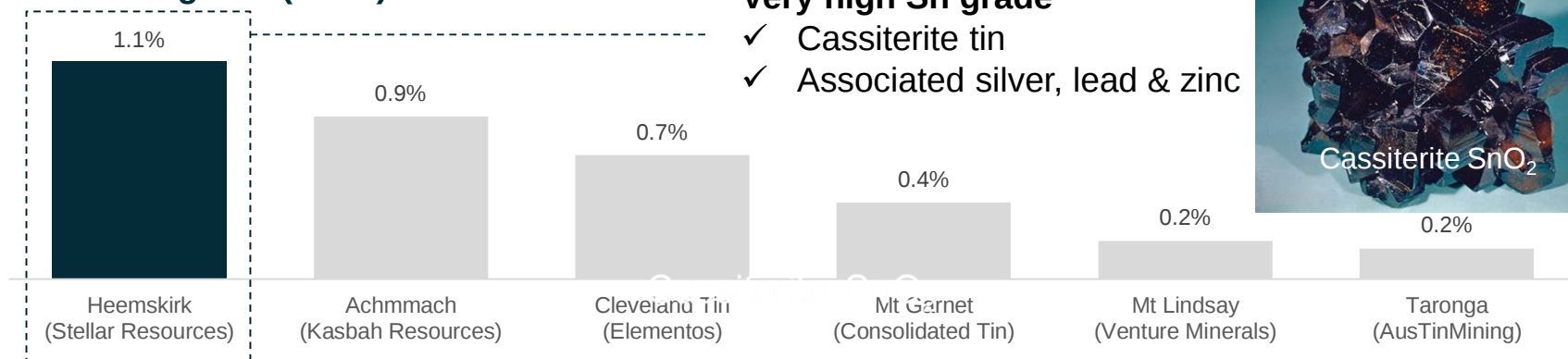
- ✓ Significant mining district
 - Many historical and current operating mines across various commodities
- ✓ Supportive local community and skilled workforce
 - Experienced workforce available with several mines in the region
- ✓ Established road and rail to port at Burnie, water readily available and power infrastructure in place
- ✓ Low political risk
 - Tasmanian government supportive of Heemskirk
- ✓ Low environmental risk
 - Project located outside of environmentally sensitive areas



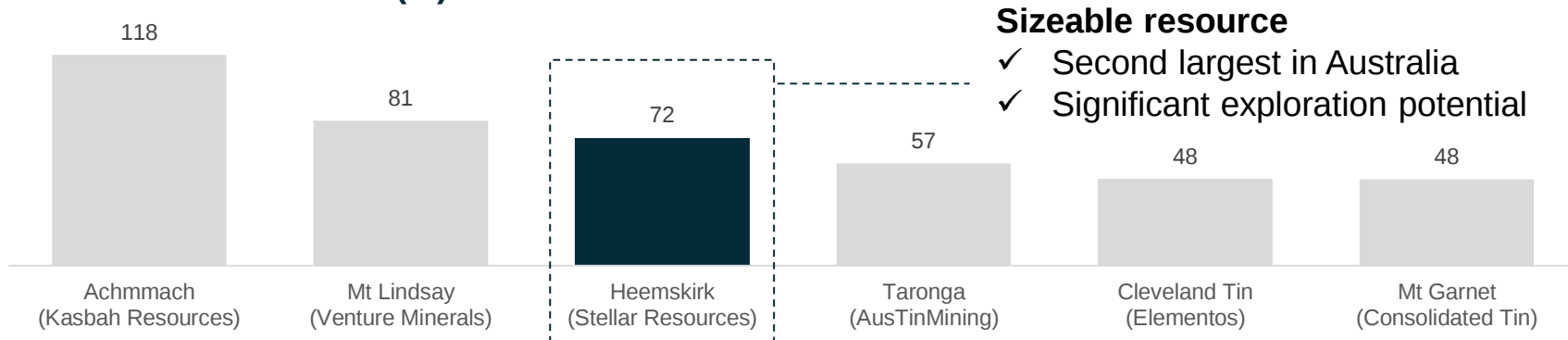
High grade underpins resource quality

Heemskirk is the premier pre-production tin opportunity on the ASX

Resource grade (% Sn)



Contained tin resource (kt)



Source: Company filings

What has been achieved?

Significant operational achievements in 2015 continuing in 2016

February 2015

- **Environmental Protection Authority guidelines received**
- Exploration licence granted to the south of Heemskirk

March 2015

- Metallurgy optimisation upgrades Heemskirk Tin
 - **Severn tin recovery increased by 7.4% and average tin recovery increased by 4.5%**

July 2015

- Geological review flags new northwest trending structures and high grade tin infill zones presenting **un-tapped upside to the Heemskirk resource**
- **St Dizier scoping study completed** - potential for development as a source of blending ore
- **Tailings storage site secured** – low capital cost, life of mine facility

September 2015

- **Optimisation of Heemskirk Tin**

July 2016

- **Application to convert Retention Licence into a Mining Lease** – will increase tenure and add certainty to project

July 2016

- **Fast start study** - shows path to quicker ore access at lower capital cost
-

Metallurgical recovery up by 7.2%



Tin recovery gains across all processes - best gains from reduced losses in the sulphide float and increased recovery in the gravity circuit

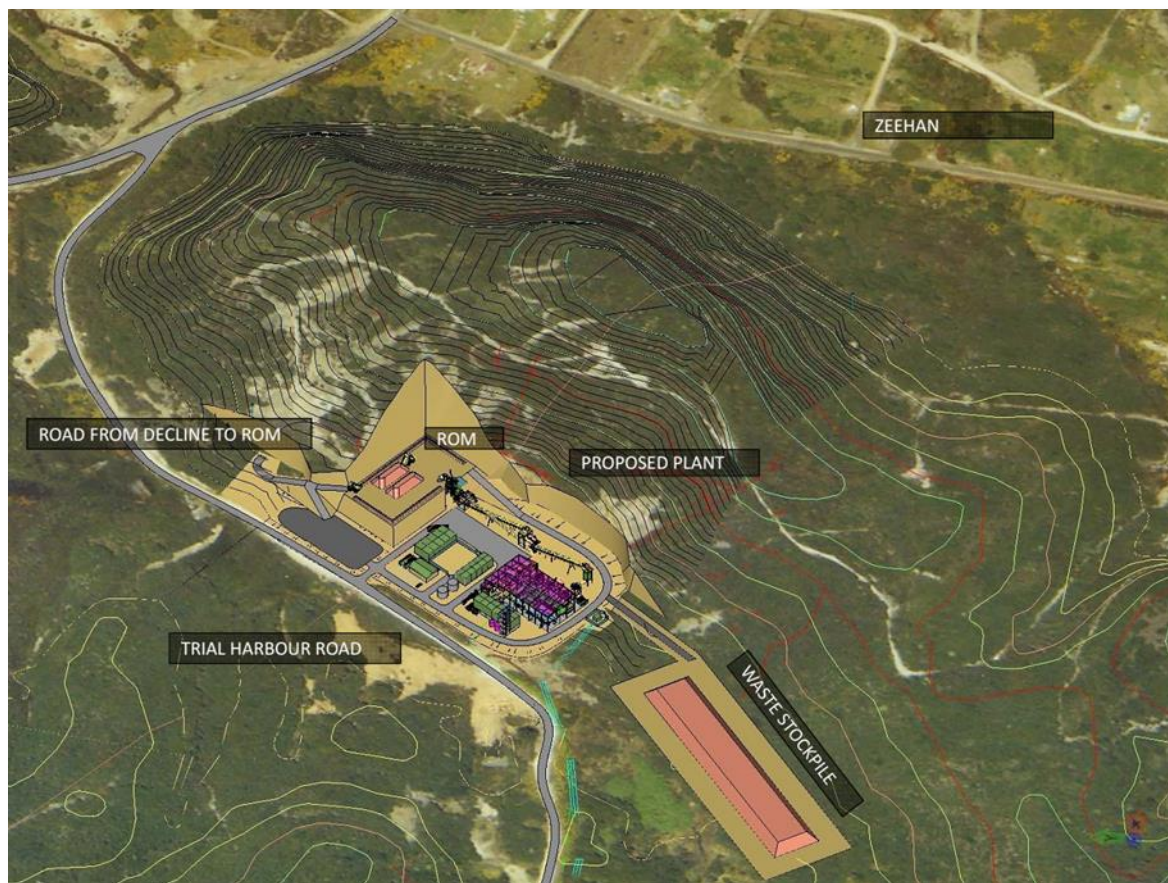
Process product and tail		Assumed PFS performance	Severn optimisation program outcome	Change from PFS performance
Ore grade	% Sn	1.06	1.00	+0.06
1. Ore feed (product)	% Sn	100	100	0.0
2. HMS floats (tail)	% Sn	-1.5	0	+1.5
3. Final sulfide conc (tail)	% Sn	-10.1	-2.6	+7.5
Sn recovery to gravity circuit Feed (product)	% Sn	88.4	97.4	+9.0
4. Gravity conc (product)	% Sn	63.9	69.1	+5.2
5. Gravity tail	% Sn	-2.6	-3.8	-1.2
6. Slime tail	% Sn	-1.3	-3.7	-2.4
7. Tin flotation conc (product)	% Sn	8.5	10.4	+1.9
8. Tin flotation tail	% Sn	-12.1	-10.2	+1.9
9. Overall recovery (product)	% Sn	72.4	79.5	+7.1
10. Overall loss (tail)	% Sn	-27.6	-20.4	+7.2
Final tin concentrate grade	% Sn	50.8	45.0	+5.8

- Process flow sheet developed by ALS and WorleyParsons

Process plant simplified

Metallurgical optimisation led to smaller primary grind and elimination of heavy media separation and silica float circuits saving capex

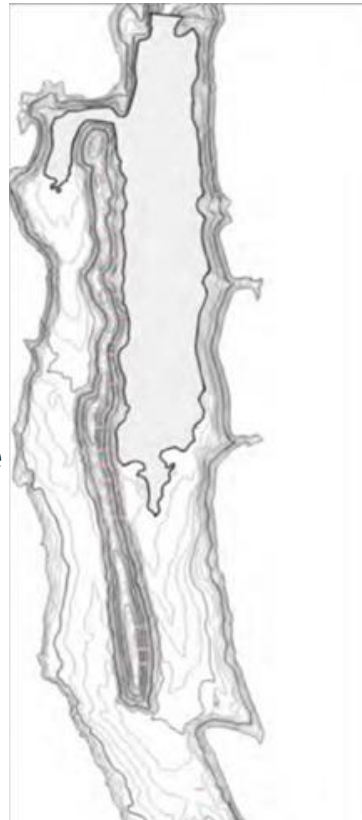
- ✓ **Removed heavy media separation**
- ✓ **Coarser grind size**
 - Increased to 250 μ from 160 μ
 - Improved recovery from gravity circuit
- ✓ **Optimised flotation circuits**
 - Reduced tin loss in sulphide float
 - Removed silica float
 - Increased slimes cut-off
 - Tin float conditions improved
 - Finishing circuit enhanced
- Process flow sheet developed by ALS and WorleyParsons
- Plant layout and imaging developed by GR Engineering and Mincore



Quality tailings dam site secured

Tailings dam site in plan and oblique view

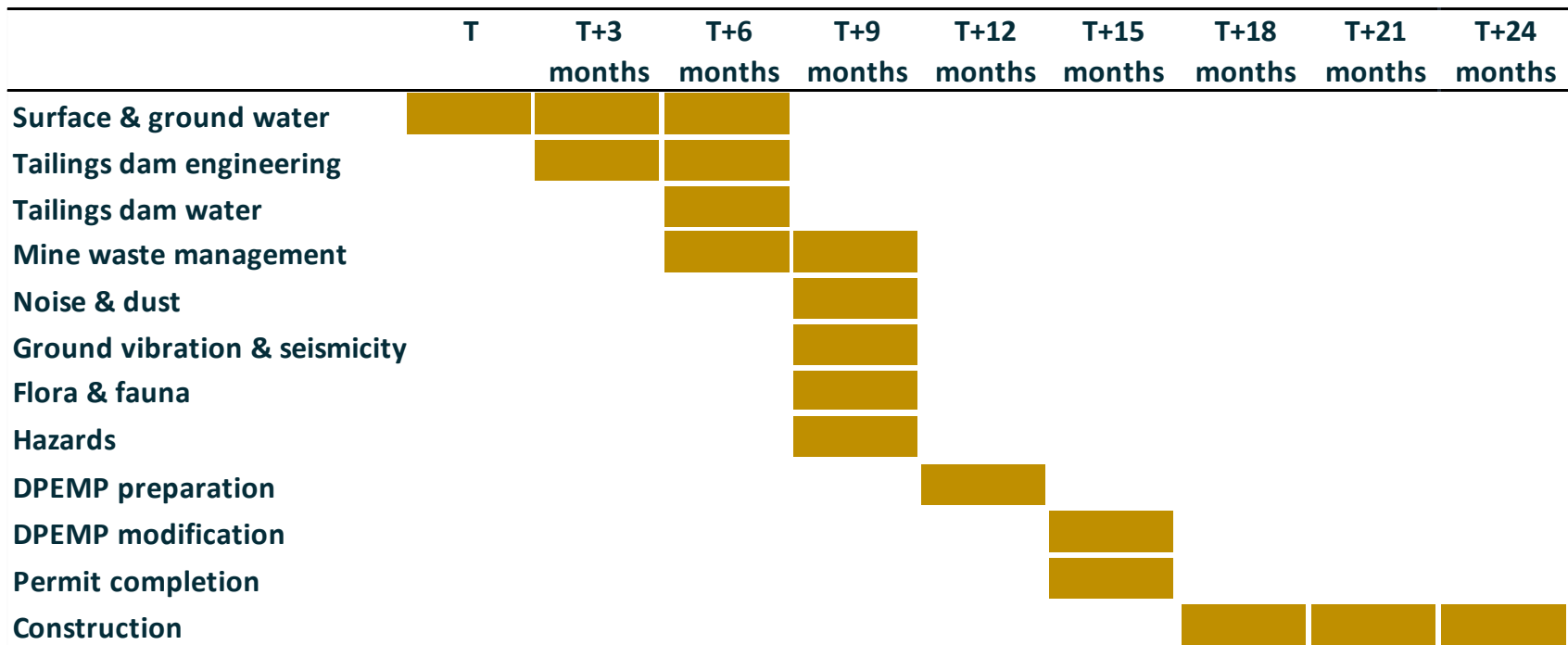
- ✓ Capacity 3x initial mine life
- ✓ Low cost containment
 - No observed geological flaws
- ✓ Concealed valley
 - Crown land
 - No competing land use
 - No observed flora or fauna values
- ✓ Site secured by a mining lease



Environmental permitting underway

EPA have issued DPEMP guidelines that are consistent with other underground Tasmanian mines – no onerous requirements

- ✓ Critical path surface sampling is well advanced
- ✓ Mine waste management a key issue for EPA – no issues anticipated

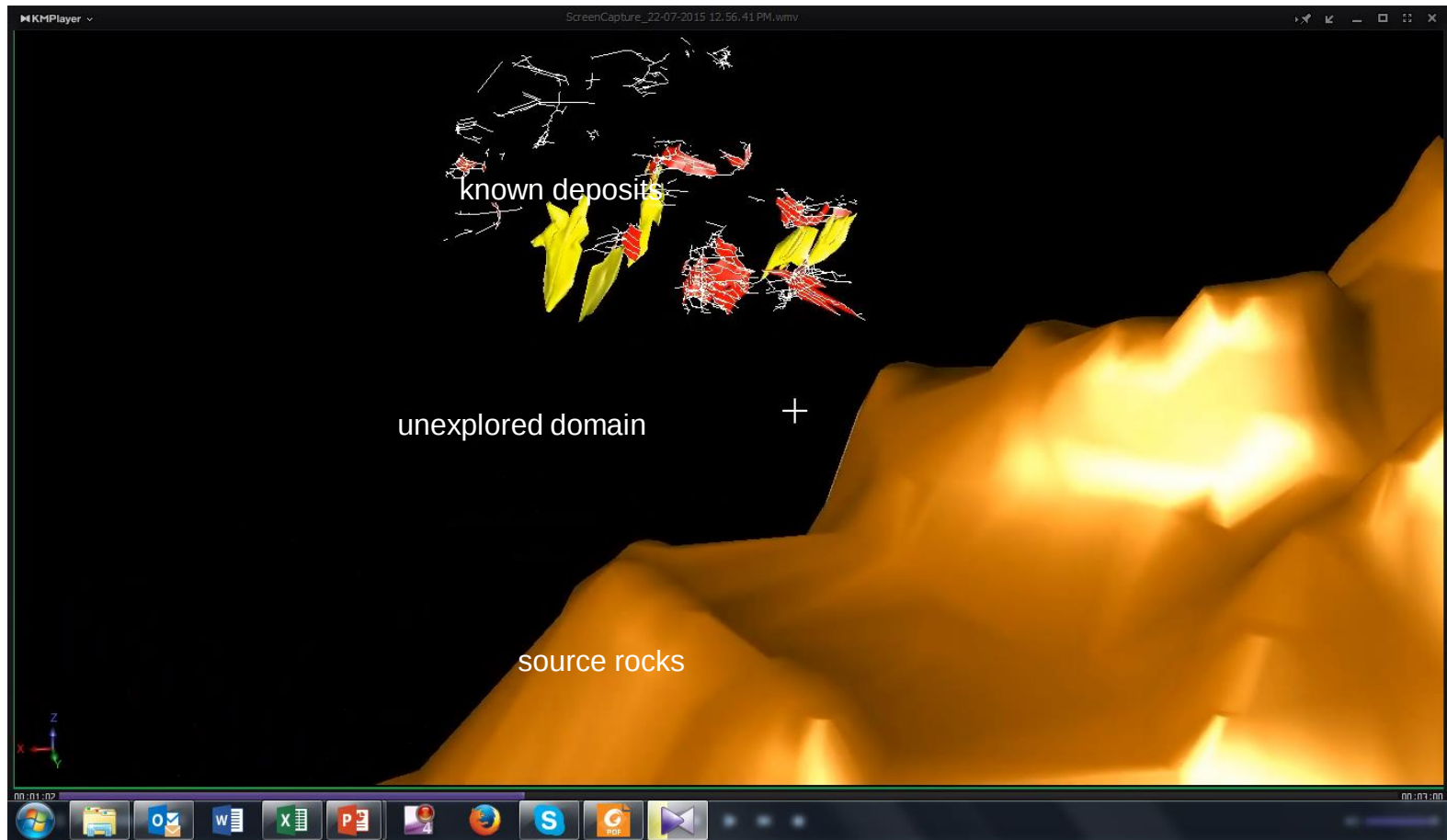


Why consider a faster start?

- ✓ **Need to reduce the pre-production capital hurdle**
- ✓ **Faster access to ore required to meet the tin price upswing – price recovery has already commenced**
- ✓ **Modularisation allows for expansion – once operation is generating positive cash flow**
- ✓ **Opportunity to drill-up deposits from underground – more efficient and accurate approach for Severn and Montana deposits**
- ✓ **Significant reduction in risk – less capital, best known deposit, reduced development time and lower execution risk**

Fast start is an opportunity to explore

Going underground provides an opportunity to better understand deposit geology and define deeper exploration targets below the known deposits

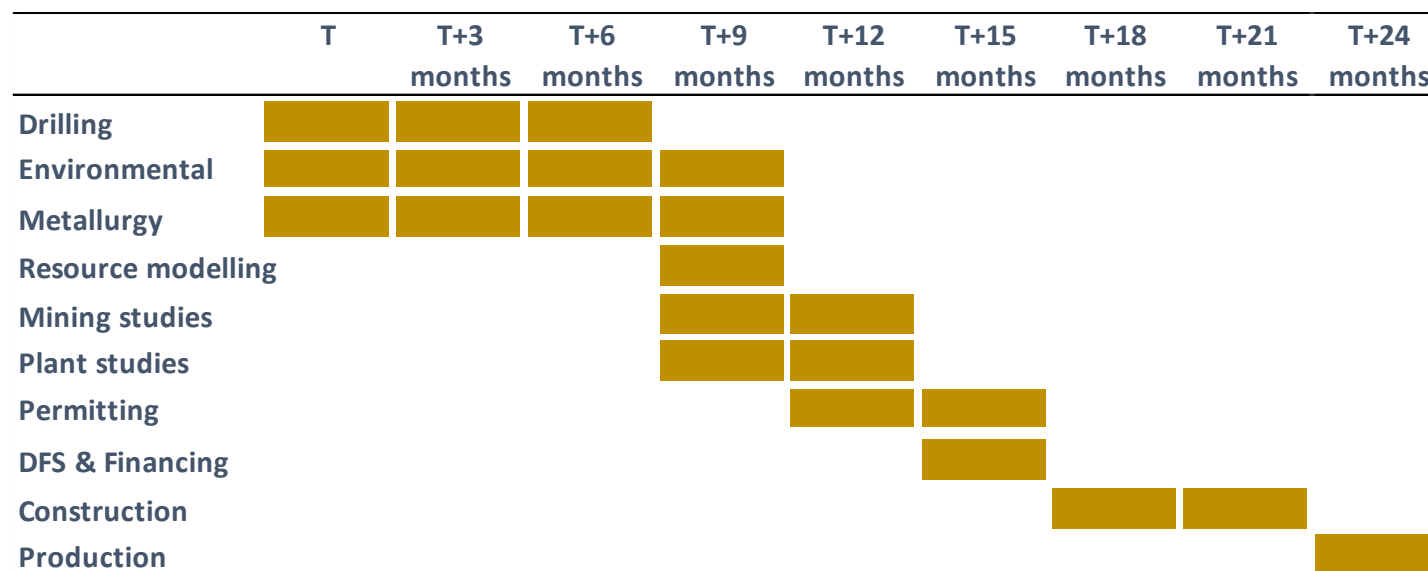


Indicative Timeline

Stellar is poised to embark on a DFS for the Heemskirk project based on a fast start approach

- ✓ DFS and permitting timeline is 15 months from the commencement of drilling
- ✓ Environmental work is underway with DPEMP completion within 12 months
- ✓ Drilling LQH and Severn and associated test work will be the rate determining step

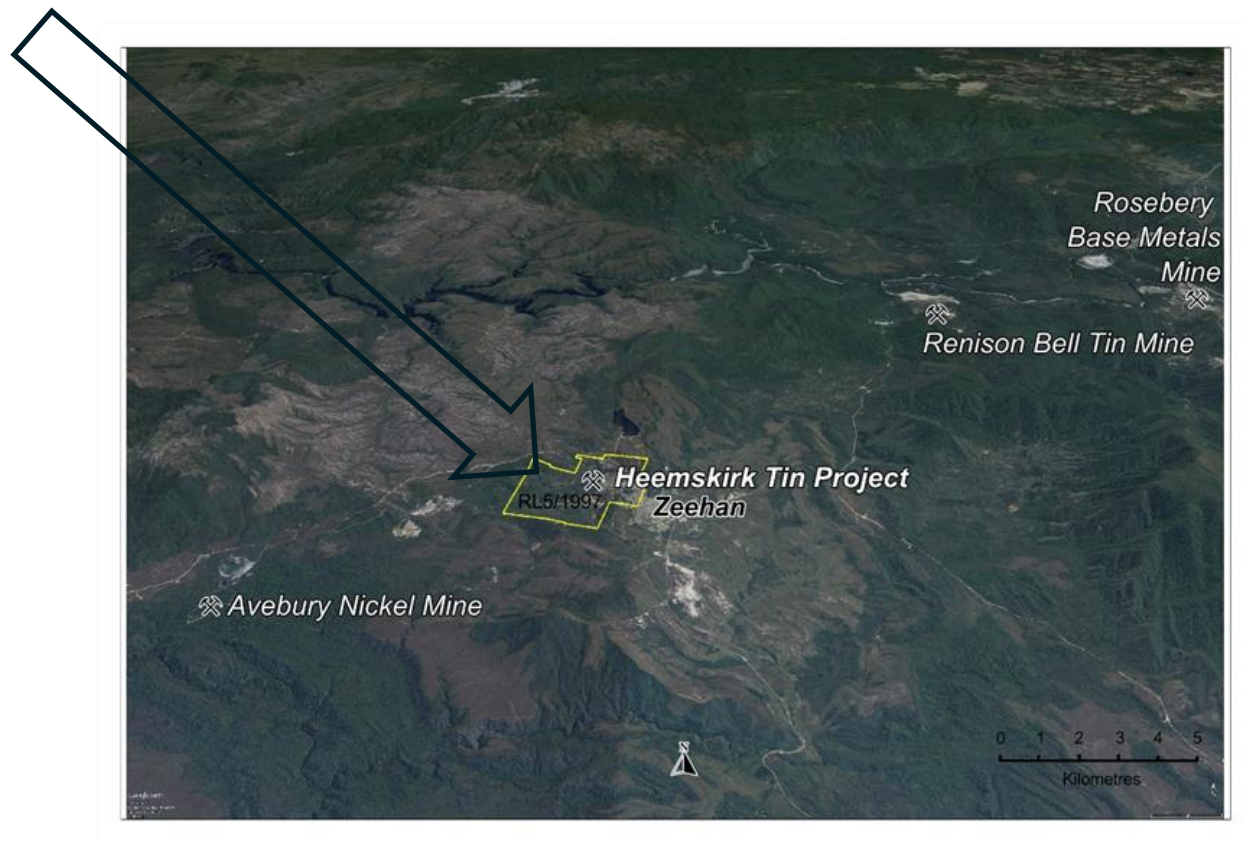
DFS timeline from commencement



ML application over tin deposits

RL5/1997 to be replaced by a Mining Lease

- ✓ Exclusive right to extract economic minerals
- ✓ Increased duration of tenure over tin deposits
- ✓ More secure form of title
- ✓ Board commitment to the project



Five reasons to own Stellar

- ✓ **Tin price and share price have bottomed** – price recovery from an over-sold position
- ✓ **Heemskirk is the highest quality undeveloped tin resource listed on the ASX**
- ✓ **Strong record of achievement** - project momentum maintained despite difficult market conditions
- ✓ **Strategy focused on quicker, lower risk development** at higher grade and lower capital cost than PFS outcomes
- ✓ **Clear timeline to development** – granting of a mining lease will be a significant milestone

Disclaimer



Forward Looking Statement

This presentation may include forward-looking statements. Forward-looking statements include, but are not limited to statements concerning Stellar Resources Limited's planned activities and other statements that are not historical facts. When used in this report, words such as "could", "plan", "estimate", "expert", "expect", "intend", "may", "potential", "should", and similar expressions are forward-looking statements. In addition, summaries of Exploration Results and estimates of Mineral Resources and Ore Reserves could also be forward-looking statements. Although Stellar Resources Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. The entity confirms that it is not aware of any new information or data that materially affects the information included in this report and that all material assumptions and technical parameters underpinning this announcement continue to apply and have not materially changed. Nothing in this report should be construed as either an offer to sell or a solicitation to buy or sell Stellar Resources Limited securities.

Competent Persons Statement – Heemskirk and St Dizier Mineral Resources

The information in this report that relates to Heemskirk Tin Mineral Resources was last reported on 24th July 2013 in an ASX release titled "Pre-feasibility Study Advances Heemskirk Tin". The information was prepared in accordance with the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' by Tim Callaghan of Resource and Exploration Geology. The information in this report that relates to the St Dizier Mineral Resource was announced on 12 March 2014 in an ASX release titled "Heemskirk Tin Project: New Open Pittable Resource at St Dizier". The information 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. Tim Callaghan is a Member of The Australasian 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 in which it appears.

Competent Persons Statement – Exploration

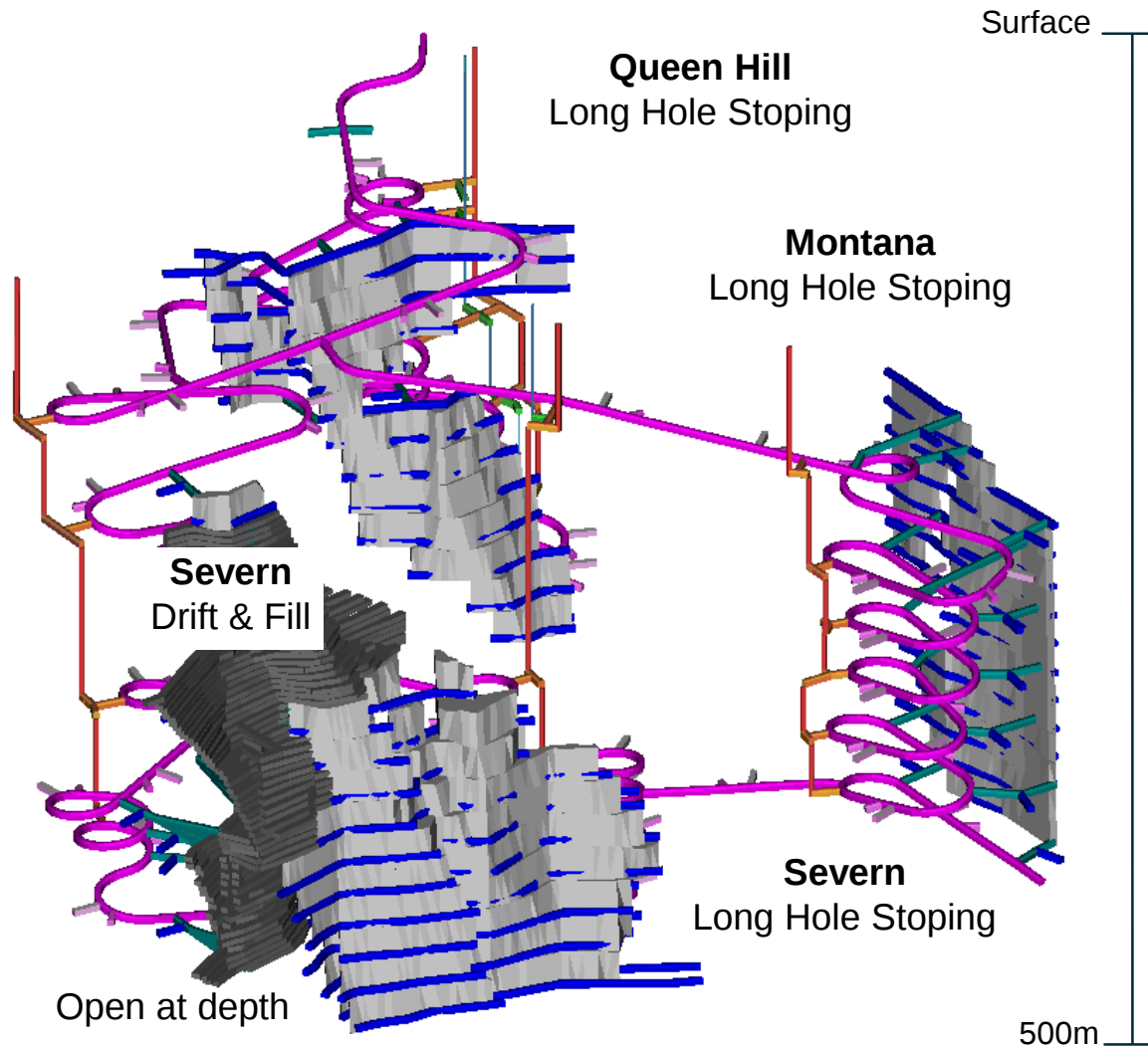
The drill and exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr R.K. Hazeldene who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Hazeldene has sufficient experience relevant to the style of mineralisation and type of deposits being considered to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). 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.

Appendix

Heemskirk PFS mine plan

Board of Directors

Heemskirk mine plan



Board of Directors



Experienced and multi-disciplinary Board with strong global connections



Phil Harman

Non-Executive Chairman

Geophysicist

- Over 30 years experience in BHP Billiton minerals exploration
- Past and present Director of several ASX listed companies



Thomas Whiting

Non-Executive Director

Geophysicist

- Former manager of BHP Billiton exploration
- Chairman of Deep Exploration Technologies Cooperative Research Centre



Peter Blight

Managing Director

Geologist

- 30 years experience in exploration, mining and finance sectors
- Previously worked for UBS, UC Rusal and Rio Tinto



Christina Kemp

Company Secretary

Accountant

- Over 30 years experience as an accountant and senior financial manager
- Has experience in the resources, manufacturing, retail and utility industries



Miguel Lopez de Letona

Non-Executive Director

Management Consultant

- Experience as a management consultant and banker with leading financial institutions
- Based in Belgium and advises on investment in the mining and oil and gas sectors

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