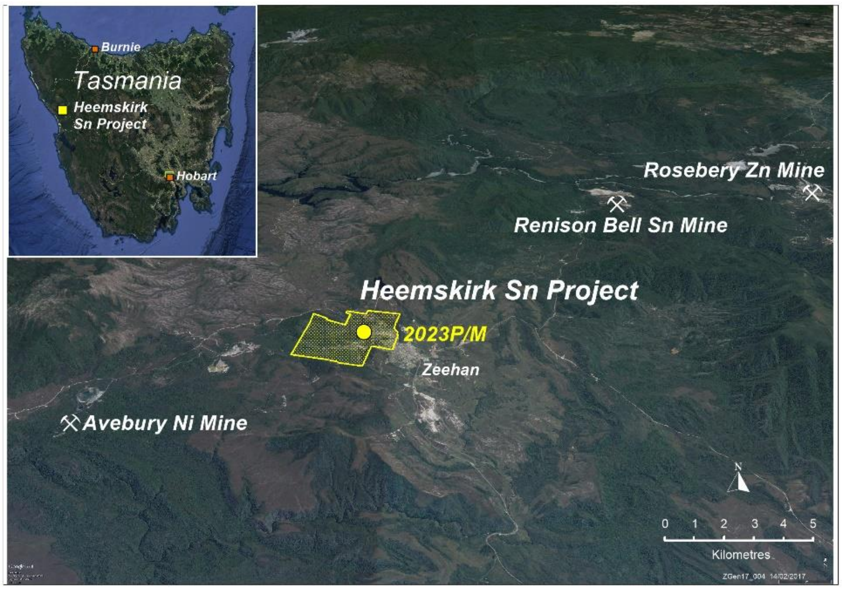
14 February 2017

Mining Lease Granted to Heemskirk Tin Project

Stellar Resources Limited (ASX: SRZ, "Stellar" or the "Company") is pleased to advise that the Tasmanian Minister for Resources, the Honourable Guy Barnett MP, has granted a Mining Lease (2023P/M) to Stellar's wholly owned subsidiary Columbus Metals Limited over the Heemskirk Tin Project (Figure 1).

Figure 1: Heemskirk Tin Project ML (yellow) and other mines in west Tasmania



"*Granting of an ML is a major step forward for Stellar's Heemskirk Tin project, the Zeehan community and for mining in Tasmania*" said Stellar's Managing Director Peter Blight.

"*The ML reflects the Tasmanian Government's confidence in Stellar's tin development proposal and provides the Company with secure tenure over tin and other metallic minerals for a minimum of 12 years. The long-dated nature of tenure is also important for attracting finance to the project*" he added.

Issued Capital

Shares:	*300,227,775*
Share Price:	*A$0.035*
Market Cap:	*A$10.5million*

Commodity

Tin Price:	*US$19,985/t*
Exchange Rate US$	*0.76*

Main Shareholders

European Investors	*24.8%*
Capetown SA	*20.8%*
Resource Capital Fund	*12.1%*

Board & Management

Phillip G Harman
Non-Executive Chairman
Peter G Blight
Managing Director
Miguel Lopez de Letona
Non-Executive Director
Thomas H Whiting
Non-Executive Director
Christina R Kemp
Company Secretary

About Stellar:

Stellar Resources (SRZ) is an exploration and development company with assets in Tasmania and South Australia. The company is rapidly advancing its high-grade Heemskirk Tin Project, located near Zeehan in Tasmania, and plans to become Australia's second largest producer of tin.

ASX Code: SRZ

ABN 96 108 758 961
Level 17, 530 Collins Street
Melbourne Victoria 3000
Australia

Telephone +61 3 9618 2540
Facsimile +61 3 9649 7200

www.stellarresources.com.au

Heemskirk Tin Project

Stellar Resources Limited (ASX:SRZ **"Stellar"** or the **"Company")** owns 100% of the Heemskirk Tin Project which has a JORC Mineral Resource of 6.35mt at 1.13% tin or 72,000t of contained tin. Heemskirk, located in west Tasmania, is the highest grade and best located undeveloped tin project listed on the ASX.

The Mineral Resource comprises three closely spaced tin deposits (Queen Hill, Severn and Montana) located immediately northwest of Zeehan. Stellar is planning a fast-start underground development beginning with the Lower Queen Hill deposit and followed sequentially by development of the Severn and Montana deposits.

Under a fast start strategy, it is expected that first ore production could occur within 6-9 months of decline commencement. Ore processing is expected to be undertaken in a standalone modular plant. This strategy also provides the opportunity to commence production at low capital cost. The modular nature of the processing plant would allow for subsequent expansion depending on the rate of mine development.

Under the fast start scenario, total direct employment in the first stage of the Heemkirk operation should be up to 70 people. However, upon full expansion of the mine, employment in all aspects of the operation should rise up to 180 people.

ML 2023P/M

The Mining Lease covers an area of 560 hectares over Crown Land. It confers the following rights to Stellar's subsidiary Columbus Metals Limited:

- to carry out mining operations in the lease area in accordance with the Mineral Resources Development Act 1995;
- to mine tin and all other metallic minerals within the lease area;
- staged provision of security deposits in accordance with a schedule of defined activities from exploration and feasibility (stage 1), to construction (stage 2) to operation (stage 3);
- and a term of 12 years ending on 1st January 2029.

All conditions of the ML can be met through the existing schedule of activities planned by Stellar. There are no minimum expenditure commitments.

Next Steps

Subject to funding, Stellar plans to advance the Heemskirk Tin Project through the following definitive feasibility study (DFS) work program:

- 9,000m of diamond drilling to convert Mineral Resources to an Ore Reserve;
- metallurgical testing to optimise the process flow sheet and confirm recovery/product quality;
- completion of a development proposal and environmental management plan (DPEMP) to achieve environmental clearance;
- completion of mining and plant studies to a definitive feasibility study (DFS) level.

Once drilling commences, the DFS program is expected to be completed within 15 months.

Competent Persons Statement

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, who is a Member of the Australasian Institute of Mining and Metallurgy ("AusIMM"), has a minimum of five years' experience in the estimation, assessment and evaluation of Mineral Resources of this style and is a Competent Person as defined in the JORC Code. This announcement accurately summarises and fairly reports his estimations and he has consented to the resource report in the form and context in which it appears.

Forward Looking Statements

This report 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, the words such as "could", "plan", "estimate", "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 announcement 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.

For further details please contact:

Peter Blight
Managing Director
Stellar Resources Limited
Tel: 03 9618 2540
Email: peter.blight@stellarresources.com.au

or visit our Website at: http://www.stellarresources.com.au