



Heemskirk Tin Project

Highest grade undeveloped ASX-listed tin project

Canary Networks

22-23rd February 2017

ASX: SRZ

www.stellarresources.com.au

Five reasons to own Stellar

- ✓ **Tin price has bottomed – multi-year market deficit**
- ✓ **High grade and locational advantages provide competitive costs in a low risk environment**
- ✓ **Significant improvement in NPV/Capex as development strategy optimised**
- ✓ **Strategy and timeline focused on low cost, fast path to production**
- ✓ **Potential to be another Renison Bell tin system with significant exploration upside**

Corporate overview



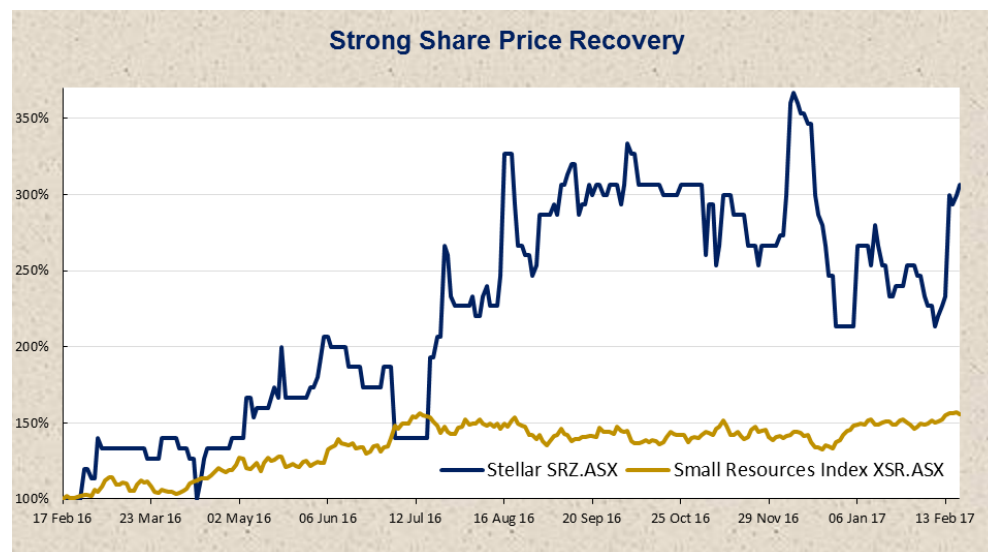
Share price recovery yet to reflect solid achievements at Heemskirk Tin

Company overview

- 100% owner of Heemskirk Tin Project, 150km south of Burnie, Tasmania
- Stand-out high grade resource (1.13% 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 (20-Feb-17)	A\$0.046
Number of shares	300.2m
Market capitalisation	A\$13.8m
Cash (31-Dec-16)	A\$1.2m
Debt (31-Dec-16)	No debt
Enterprise value	A\$12.6m
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%

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

Technical Team

Strong technical team highly experienced in Tasmanian underground mining

Ray Hazeldene ***Project Manager***

Geologist

- Over 30 years experience as a mine and exploration geologist in base metals and gold
- Underground mine geologist in Victoria, NSW and Tasmania

Tim Callaghan ***Resource Geologist***

Consultant REG

- Over 25 years experience in resource estimation, underground mining and exploration
- Worked at Renison, Avebury and Henty mines
- Competent Person under JORC 2012

Justin Resta ***Metallurgist***

Consultant WorleyParsons

- Over 21 years experience in production, commissioning, R&D and engineering roles
- Provided process development and flow sheet advice to many base and precious metal projects and operations - particular expertise in tin

Stewart Cuthbert ***Mining Engineer***

Consultant MiningOne

- 25 years experience as a senior engineer specializing in underground mine design, production scheduling and waste handling.
- Underground production engineer at Renison, Golden Grove, Mt Lyell, CSA Mine

John Miedecke ***Environmental Scientist***

Consultant John Miedecke and Partners

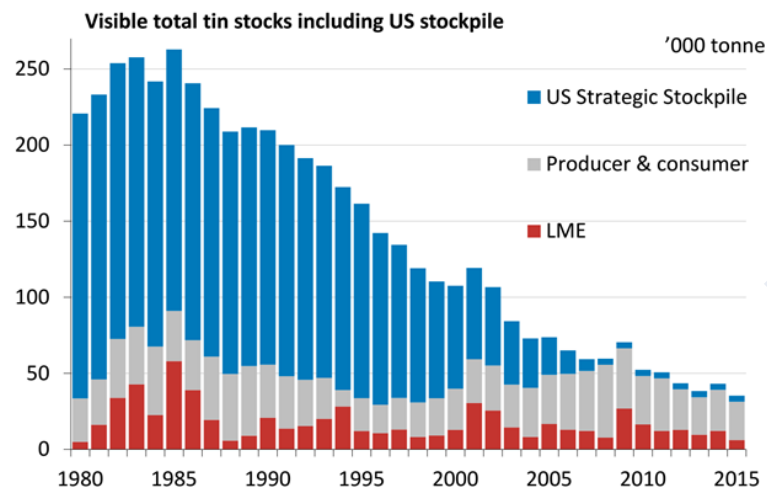
- Over 30 years experience in mining in USA, Australia and Tasmania
- Managed approvals and DPEMP's for Hellyer silver/lead/zinc, Beaconsfield Gold, Mt Bischoff tin, Anchor tin and Nelson Bay River iron ore in Tasmania

Tin price has bottomed

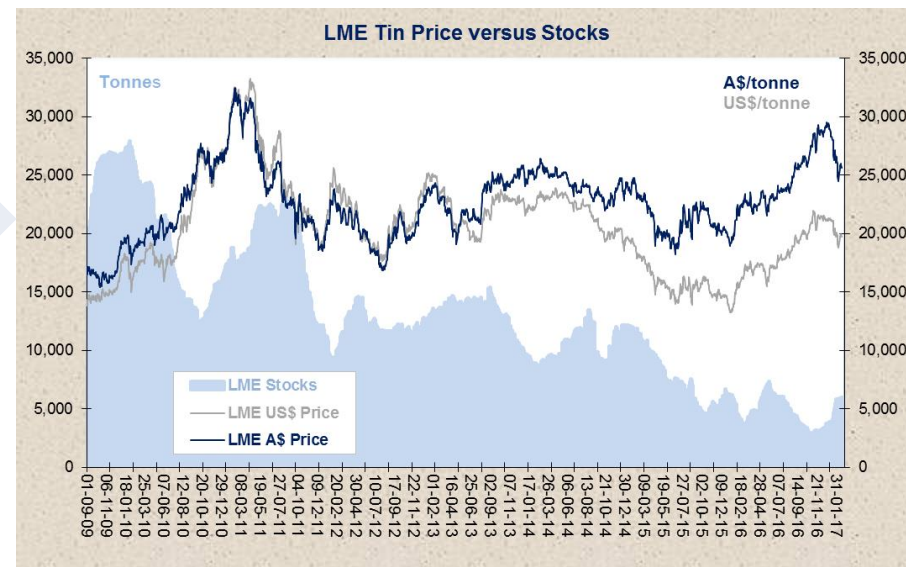
LME tin price is up 49% from its mid-January 2016 low

Supply rationalisation underpinning price

- Price recovery in 2016 driven by supply restraint from largest producers China and Indonesia
- China has reduced domestic production by 10% – now more reliant on ore imports from Myanmar
- Indonesian tin exports down for the 4th consecutive year in 2016 due to tighter licence conditions
- No significant investment in new mine production



Source: ITRI



Industry stocks at historical low

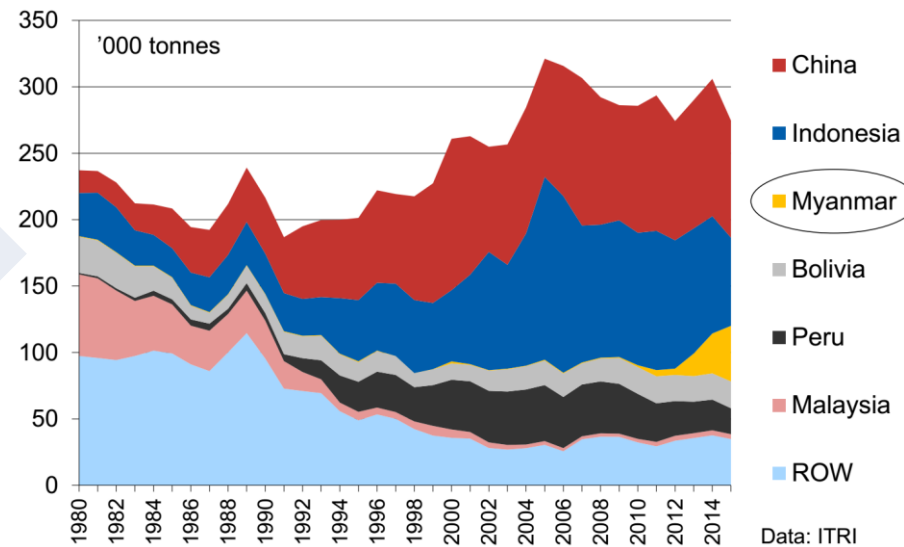
- US strategic stockpile exhausted
- Consumer stocks running at < 4.0 weeks supply
- Producer stocks steady at normal levels (apart from Myanmar)
- LME stock at historical low of 3,800t

Tin supply and impact of Myanmar

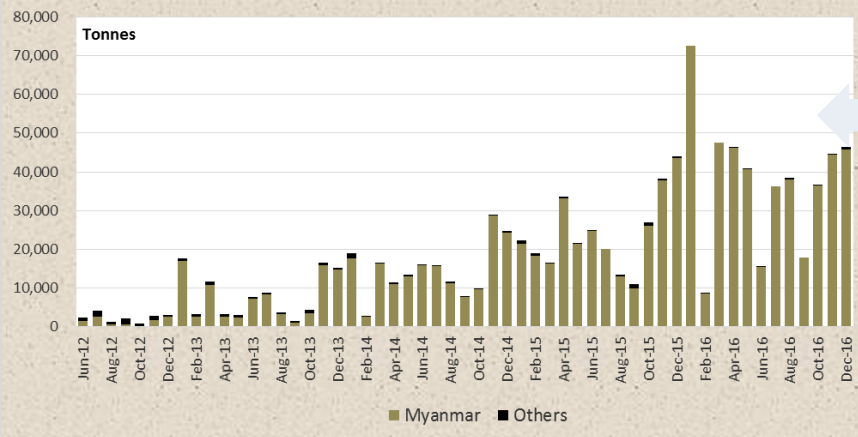
Industry has absorbed new production from Myanmar and reduced total supply

Four countries control 80% of mine supply

- Largest tin mining countries are China (30%), Indonesia (24%) Myanmar (18%) and Peru (7%)
- Global mine supply peaked in 2005 and has declined by 12% in the period to 2016
- Since 2013, Myanmar has emerged as the third largest supplier of tin ore – all trucked to China
- Myanmar growth offset by mine cut-backs in Indonesia, China and Peru



Chinese Imports of Tin Concentrate - Monthly



Myanmar exports high but not growing

- Growth in exports from Myanmar greatest in 2014/2015
- Exports have stabilised in 2016 at 51kt contained Sn
- Anecdotal – 2016 exports supported by stock draw-down
- Exports in 2017 likely to decline as grade and tonnage fall?

Has Myanmar production peaked?



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

Easy surface material exhausted

- Mining moving underground
- 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

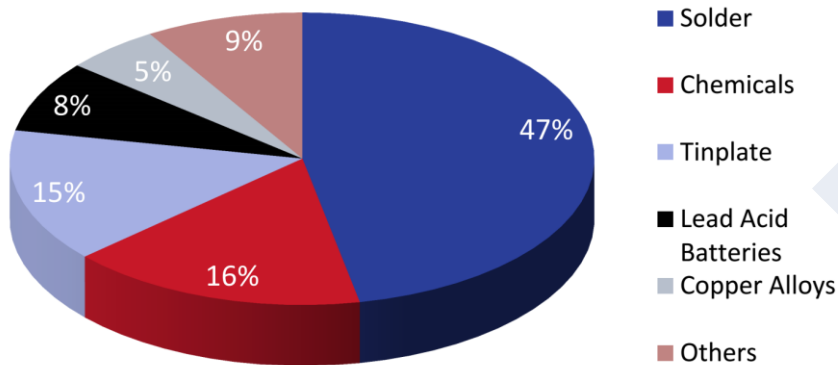
- No pre-production drilling and limited geological analysis
- Adits driven into hill-side below known surface deposits
- No resource estimates and limited mine planning
- Mining unlikely to advance below the water-table using current practices

Tin demand – next growth phase?

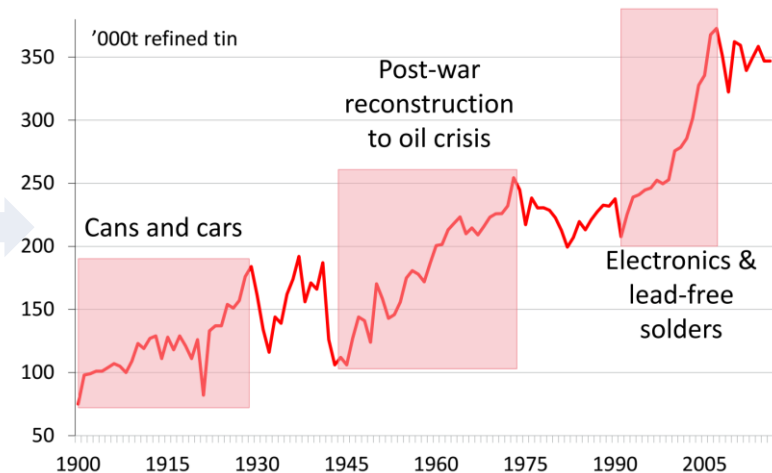
Tin demand – long-periods of strong growth

- Tin demand characterised by long periods of above trend growth driven by new uses
- Emergence of tin in lead acid batteries one example of a new use that could gain more traction
- Current growth pause is mature (8 years)
- Potential for a cyclical recovery in 2017?

Provisional ITRI estimates of global refined tin use, market shares



Total estimated refined tin use = 345,700t



Solder still the major end-use

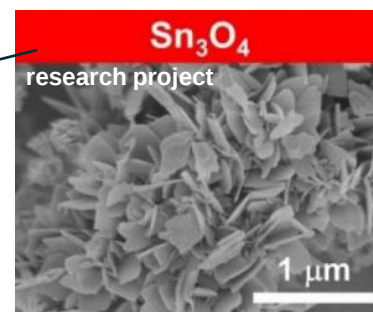
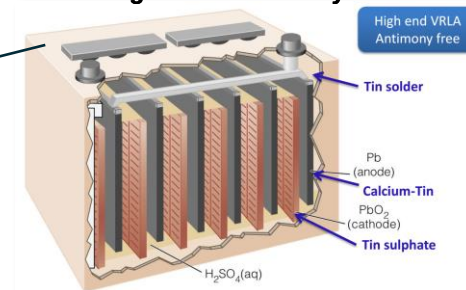
- Growth in consumer electronics a major plus for solder
- Chemicals was a strong growth sector in 2016
- LAB use has captured 8% of the market in 5 years
- New energy capture and storage technologies may be the game changer for tin

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



Rising tin market deficit?

In 2015/2016, supply did the heavy lifting – will 2017 be characterised by an increased market deficit driven by stronger demand growth?

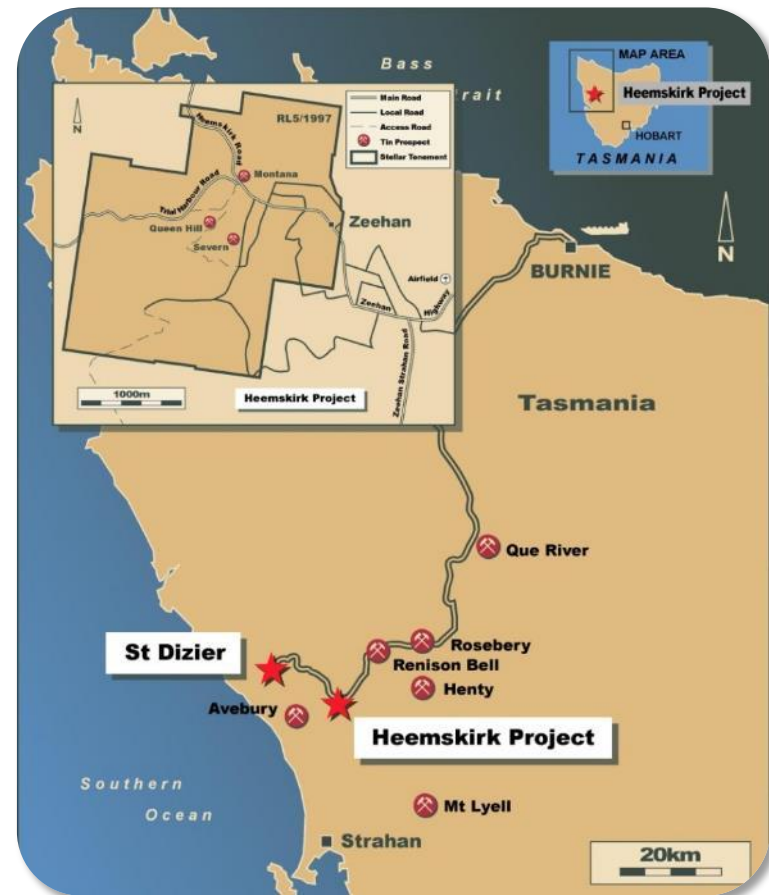
World Supply/Demand Balances in Refined Tin

('000 tonnes)	Estimate				
	2012	2013	2014	2015	2016
World					
World Refined Production	334.7	340.1	369.2	333.0	336.1
DLA Sales	0.0	0.0	0.0	0.0	0.0
World Refined Consumption	339.4	349.0	357.8	345.7	347.8
Global Market Balance	-4.7	-8.9	11.4	-12.7	-11.7
Reported stocks					
LME	12.8	9.7	12.1	6.1	3.0
SHFE	0.0	0.0	0.0	0.8	2.5
Producers	15.9	13.7	15.8	14.0	10.0
Consumer/other	10.7	10.9	11.2	11.3	9.0
Total	39.5	34.3	39.1	32.2	24.5
<i>World Stock Ratio</i> <i>(weeks consumption)</i>	<i>6.0</i>	<i>5.1</i>	<i>5.7</i>	<i>4.8</i>	<i>3.7</i>

Best location for a new mine

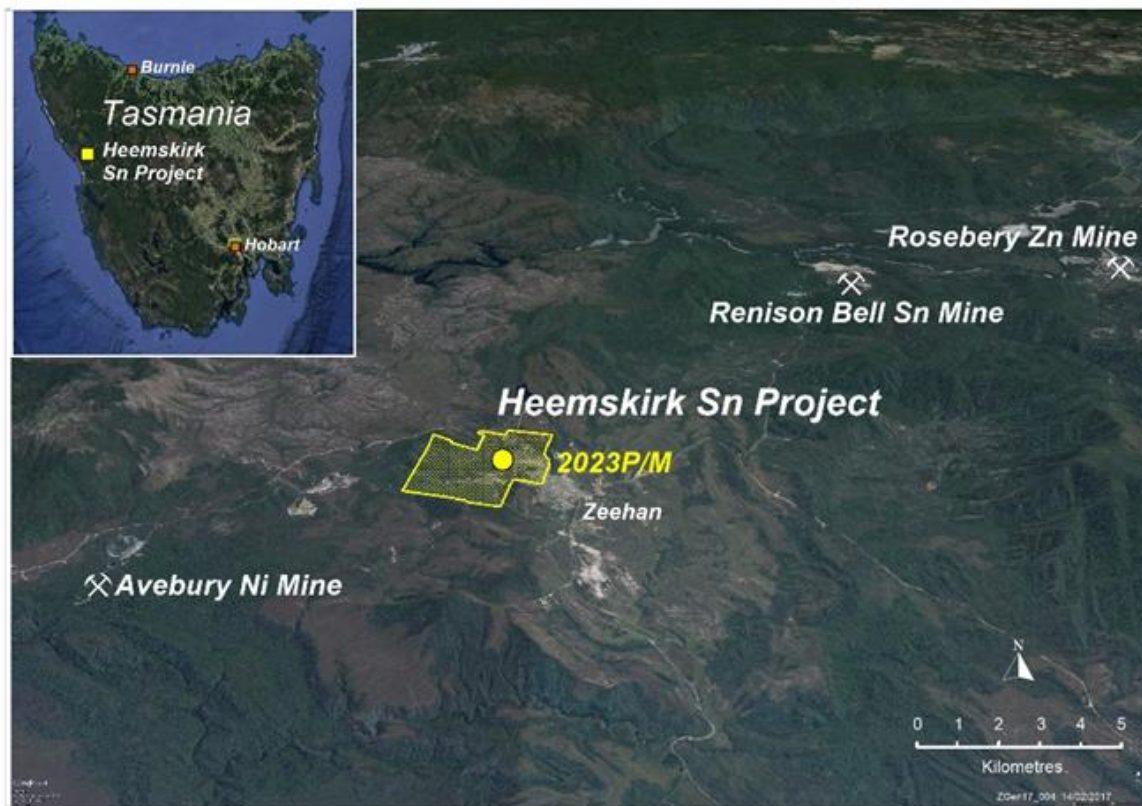
North-west Tasmania is a world-class tin jurisdiction

- ✓ 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



Mining Lease Granted

Mining Lease grant is a significant project milestone that increases tenure and adds security over the right to mine tin

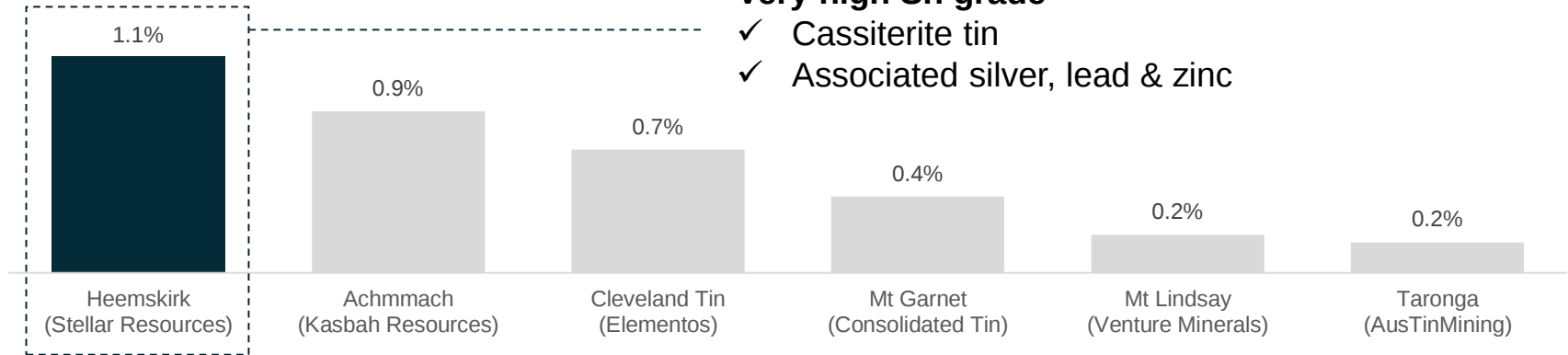


- ML 2023P/M granted to wholly owned subsidiary Columbus Metals Limited
- Term is 12 years to 1st January 2029
- Provides right to carry out mining operations in the lease area in accordance with the Mineral Resources Development Act 1995
- Right to mine tin and all other metallic minerals
- Staged provision 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)
- All conditions of the ML can be met through the existing schedule of activities planned by Stellar
- No minimum expenditure commitments

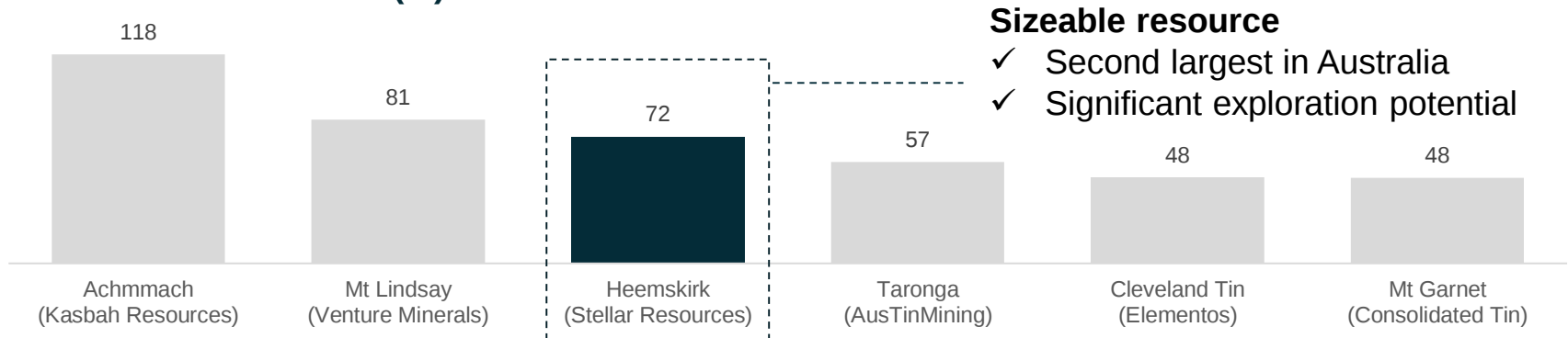
High grade underpins resource quality

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

Resource grade (% Sn)

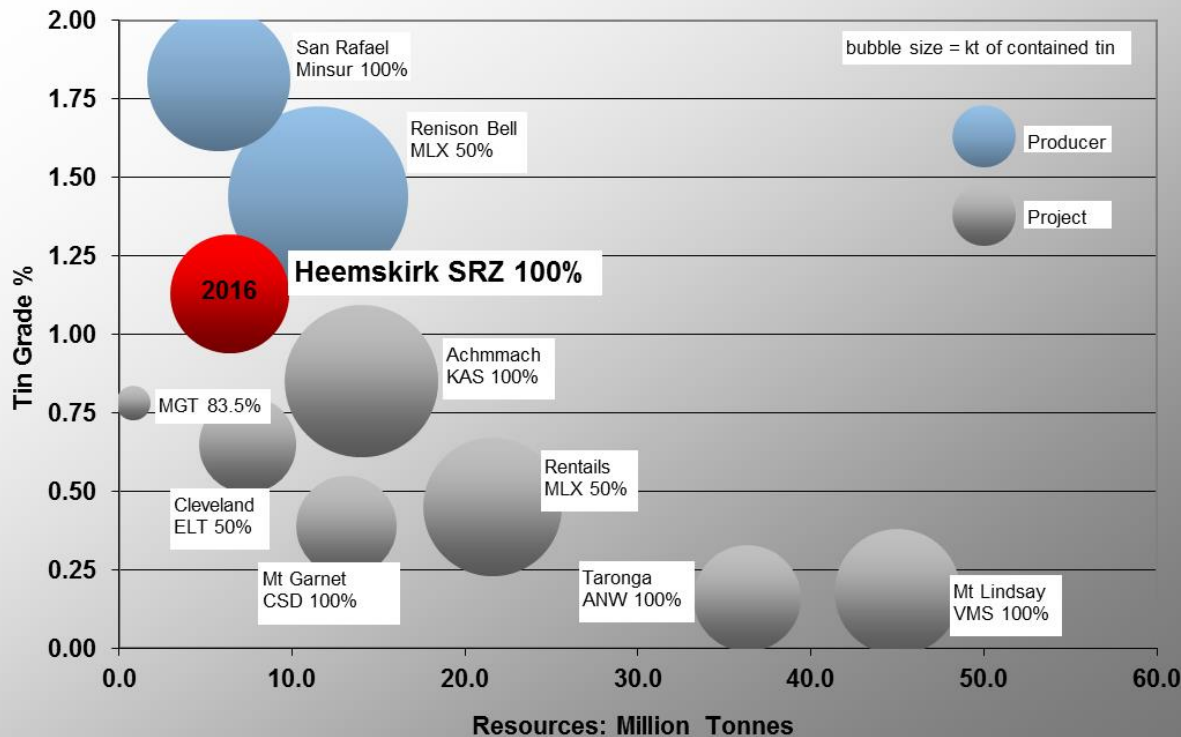


Contained tin resource (kt)



Source: Company filings

Heemskirk – a world class tin project

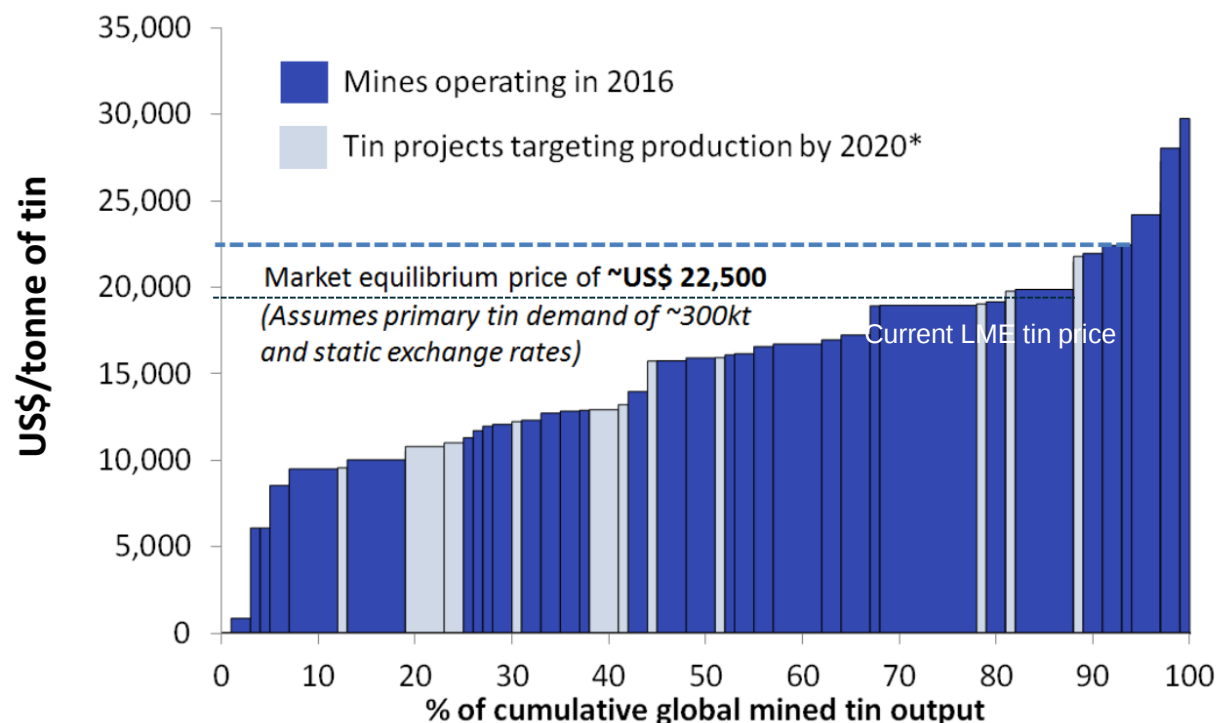


- Heemskirk is well placed on the grade tonnage curve - potential to increase grade and tonnes
- Existing underground producers San Rafael and Renison Bell facing declining grade as are other producers
- Competitors either lower grade or in higher risk jurisdictions
- Competitors also face higher infrastructure and service costs compared with Heemskirk

Source: public resource and reserve statements
 Producers are underground mines that are comparable with Heemskirk
 No tonnage and grade information available for underground mines in China and Bolivia

Attractive tin industry cost curve

2020 ITRI Tin Mine Full Costs (NBP)



* Development of an operating mine is a possibility, not a certainty.

Equilibrium Price = LME tin price at which supply = demand

- Industry cost curve provides attractive margin for low cost operations
- Heemskirk is likely to be placed at the 45th percentile
- No further costs to be removed from the industry – cost curve at a cyclical low
- Equilibrium price of US\$22,500/t if all significant projects are in production by 2020
- Equilibrium price could rise to US\$25,000/t if there is a shortfall in project development

Source: International Tin Research Institute (ITRI)

Development strategy optimised

Several studies completed - final feasibility remaining

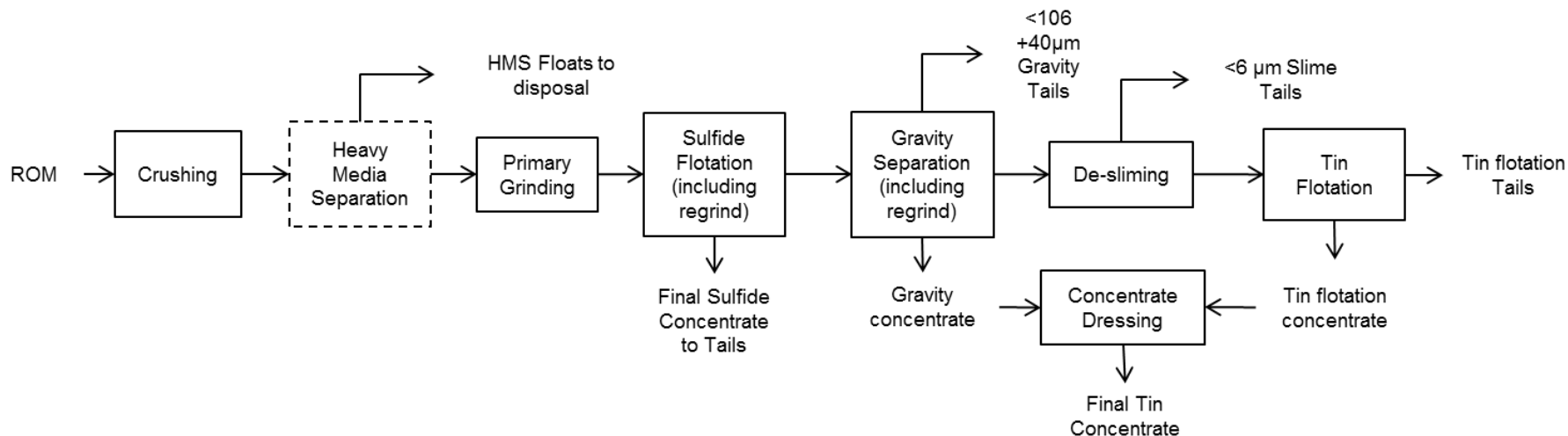
Study	PFS (Prelim Feasibility)	OPFS (Optimisation)	Fast Start (Scoping)
	Increasing NPV/Capex 		
Completion	Jul-13	Nov-15	Sep-16
Development Strategy	underground mine all deposits concurrently standalone processing plant	underground mine all deposits concurrently standalone processing plant third party processing	underground mine sequential development standalone processing plant third party processing
Deliverables	Max throughput Op cost 60th percentile mining study - 7yr life recovery 70% Renison - flow sheet adopted	Max throughput Op cost down 10% on PFS optimised fill - 7 yr life recovery up by 4.3% to 73% circuits optimised	1/3 Max throughput OPFS op cost lower scale - 20yr mine life recovery 73% modular smaller plant
Economics	Capex - standalone plant NPV/capex = 0.5	Capex reduced 12% gain on PFS: NPV/capex = 0.9	Capex 50% of OPFS NPV/capex = 1.5
Assumptions	US\$22,000/t Sn, 0.75USD/AUD	US\$22,000/t Sn, 0.75USD/AUD	US\$22,000/t Sn, 0.75USD/AUD

Mining: MiningOne and Polberro Consulting
 Metallurgy: ALS Metallurgical and WorleyParsons
 Process Engineering: WorleyParsons, GR Engineering and Mincore
 Environmental: John Miedecke and Partners

Severn recovery up by 7.1% to 79.5%



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



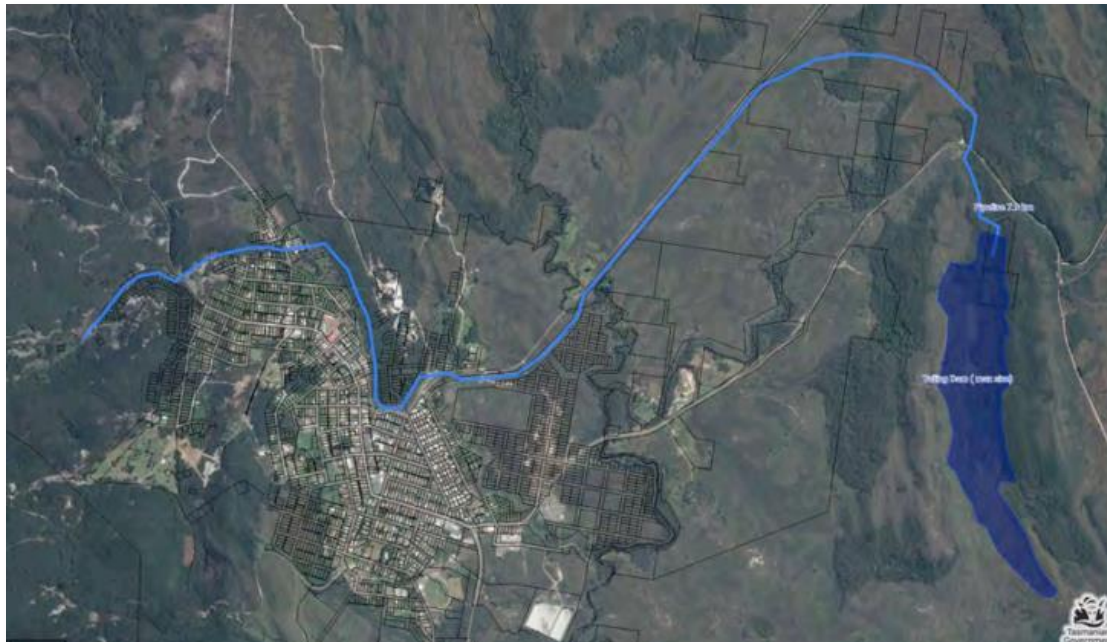
- Tin losses in sulphide float reduced from 10% to <3% adding 7.5 percentage points to recovery
- Coarser grind increased gravity recovery of tin from 64% to 69% adding 5.2 percentage points to recovery
- Reduced slime improved tin recovered by flotation from 8.5% to 10.4% adding 1.9 percentage points to recovery
- Tin loss in float tail reduced from 12.1% to 10.2% adding 1.9 percentage points to recovery
- Losses in gravity and slime tail increased from 3.9% to 7.5% reducing recovery by 3.6%
- Overall recovery for all deposits up by 4.5% to 72.8% assuming no improvement from untested deposits
- Next step is to apply this knowledge to Lower Queen Hill and Montana once drill sample available

Process flow sheet developed by ALS Metallurgical and WorleyParsons

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
- ✓ Site secured by a mining lease
- ✓ Concealed valley
 - Crown land
 - No competing land use
 - No observed flora or fauna values



Why consider a faster start?

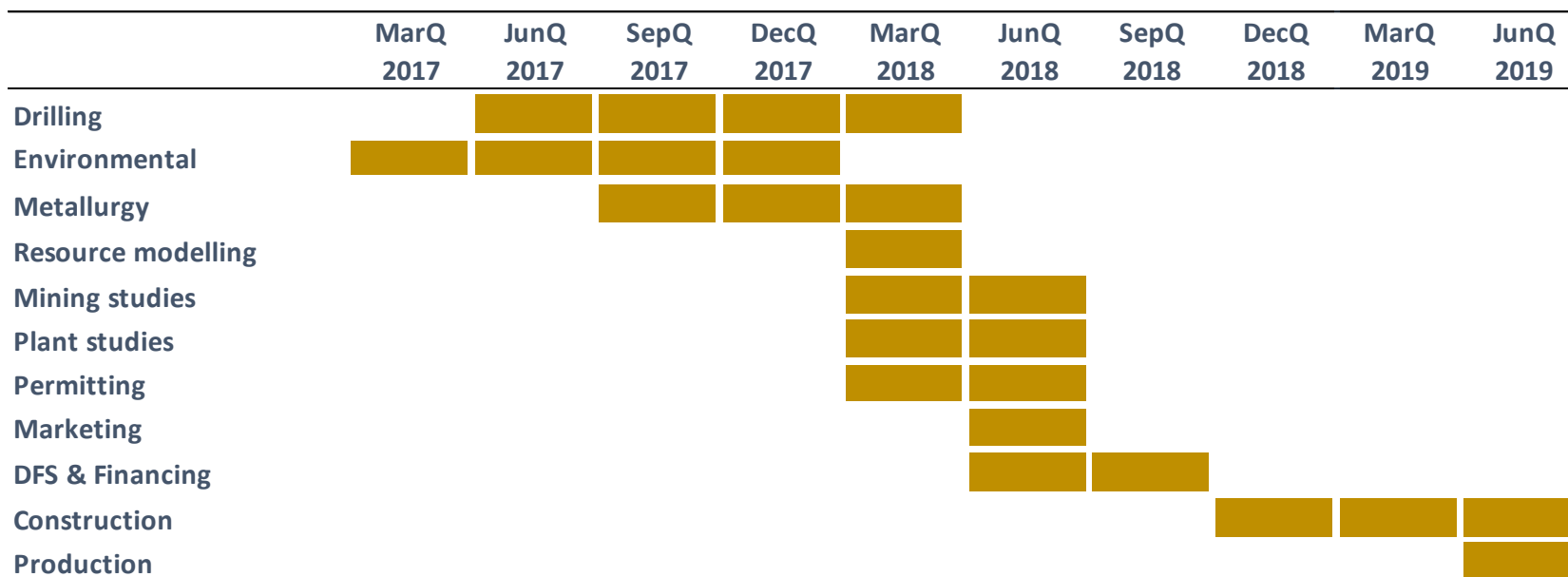
- ✓ **Need to reduce the pre-production capital hurdle**
- ✓ **Faster access to ore required to meet the tin price upswing – price recovery has already commenced**
- ✓ **Modularisation allows for expansion – once operation is generating positive cash flow**
- ✓ **Opportunity to drill-up deposits from 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**

Timeline – fast start feasibility

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

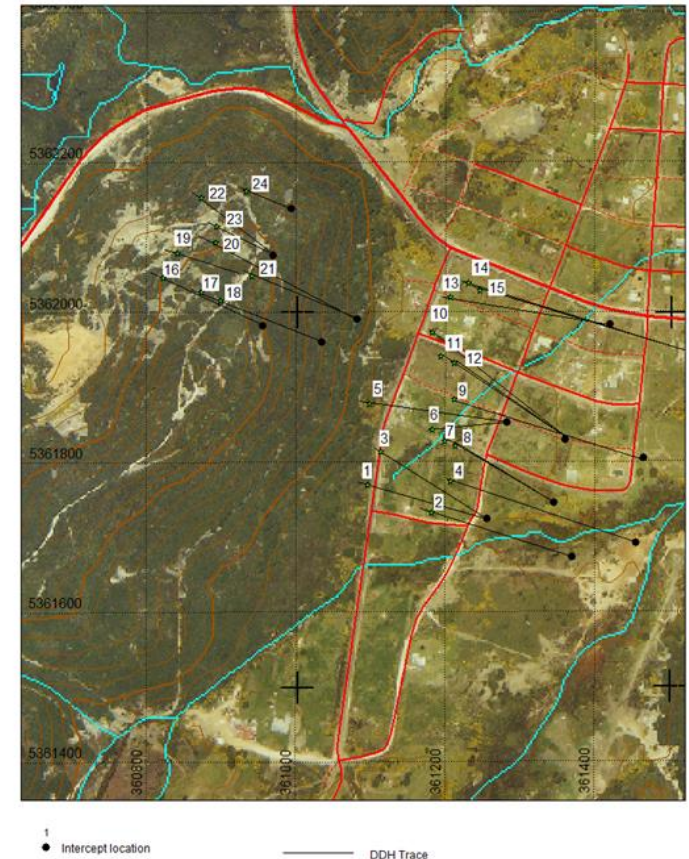
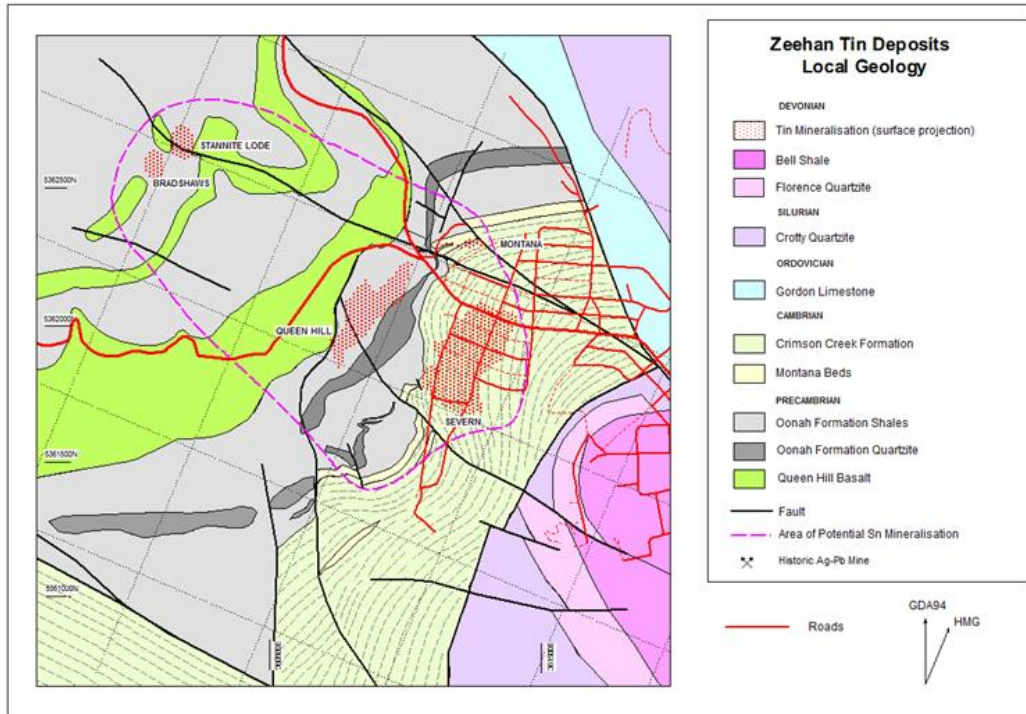
DFS timeline from commencement



9,000m drilling program planned

Heemskirk Project - Proposed infill Diamond Drillholes

October 2016



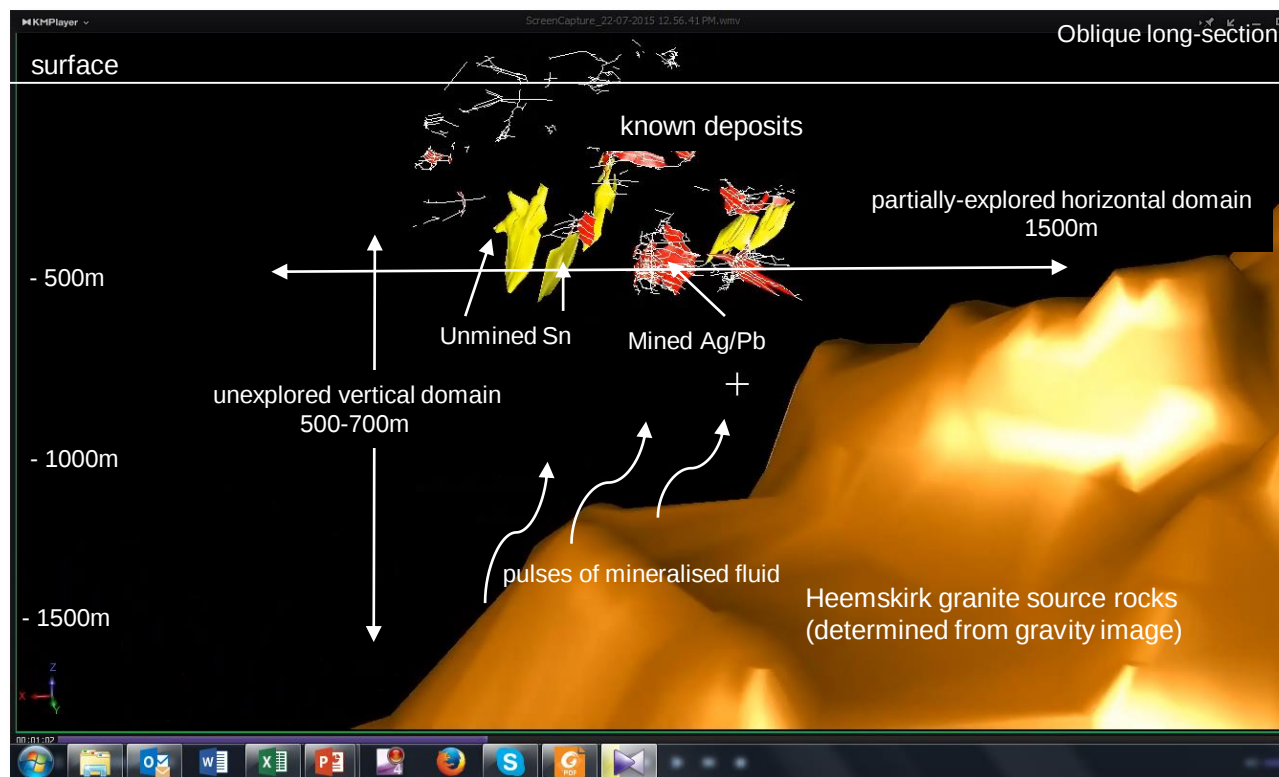
Strong newsflow - next 12 months



- ✓ **9,000m diamond drilling program** - to upgrade resources and test the potential for higher grade
- ✓ **Development of the geological model** – generate opportunities for further exploration around and below known deposits
- ✓ **Met testing** - determine opportunities for higher recovery and further reductions in unit cost and validate the flow sheet
- ✓ **Ore reserve estimation** – on completion of drilling and metallurgical testing
- ✓ **DFS study results** – updates as the program progresses

Exceptional exploration potential

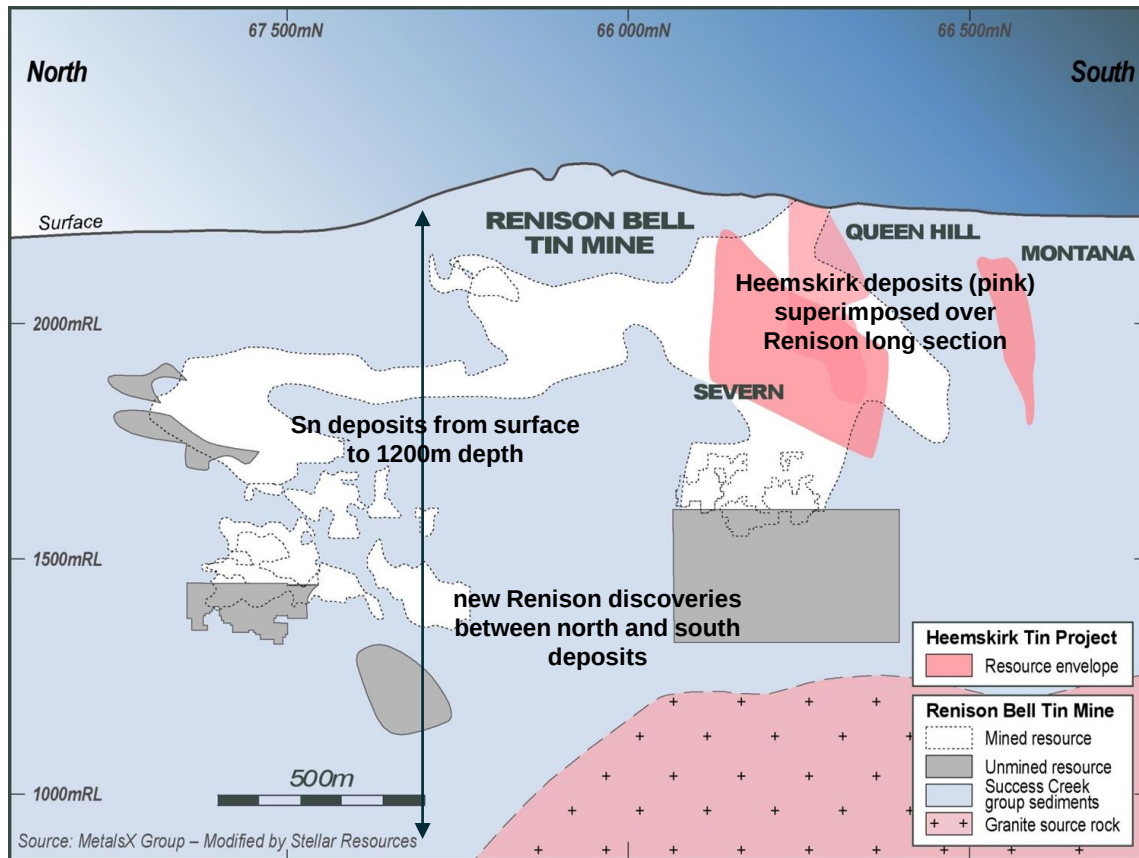
Exploration potential is around and down plunge of the known Sn deposits
– historically mined Ag/Pb deposits may also provide exploration vectors



- Queen Hill, Severn and Montana Sn deposits shown in yellow – open down plunge and could extend to the granite at 1200m from surface
- Red areas are Ag/Pb vein deposits mined 100 years ago – mineral zoning provides potential for Sn at depth
- Stellar drilling has shown Severn to be a series of stacked deposits – potential for more discoveries along strike from known deposits
- 150 surface drill holes and historic Ag/Pb mining = total exploration effort to date at Heemskirk
- Renison Bell Sn mine has 6,000 diamond drill holes and 50 years of mining – still finding new ore positions down to depths of 1500m

Renison provides exploration model

Comparison with Renison shows that known deposits at Heemskirk are just the start – mineralisation at Renison over 1200m vertically from surface



- Australia's oldest and largest Sn mine is located 18km away to the NE of the Heemskirk Sn project
- Same geology and structural setting for Heemskirk and Renison
- Renison started with a 5 year mine life in 1965 producing 5ktpa Sn – ie an ore reserve of 25kt
- Renison has now produced over 200kt Sn in the 50 years since it started and has 166kt Sn in resources
- New ore is being discovered at Renison today between the north and south deposits
- The Heemskirk deposits are shown superimposed on the Renison long section and at 72kt Sn represent just 20% of the Sn found at Renison

Five reasons to own Stellar

- ✓ **Tin price has bottomed – multi-year market deficit**
- ✓ **High grade and locational advantages provide competitive costs in a low risk environment**
- ✓ **Significant improvement in NPV/Capex as development strategy optimised**
- ✓ **Strategy and timeline focused on low cost, fast path to production**
- ✓ **Potential to be another Renison Bell tin system with significant exploration upside**

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 – Resources

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. Tim Callaghan 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 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 History

JORC 2012 Resource

Process Plant Simplification

Environmental Permitting Timeline

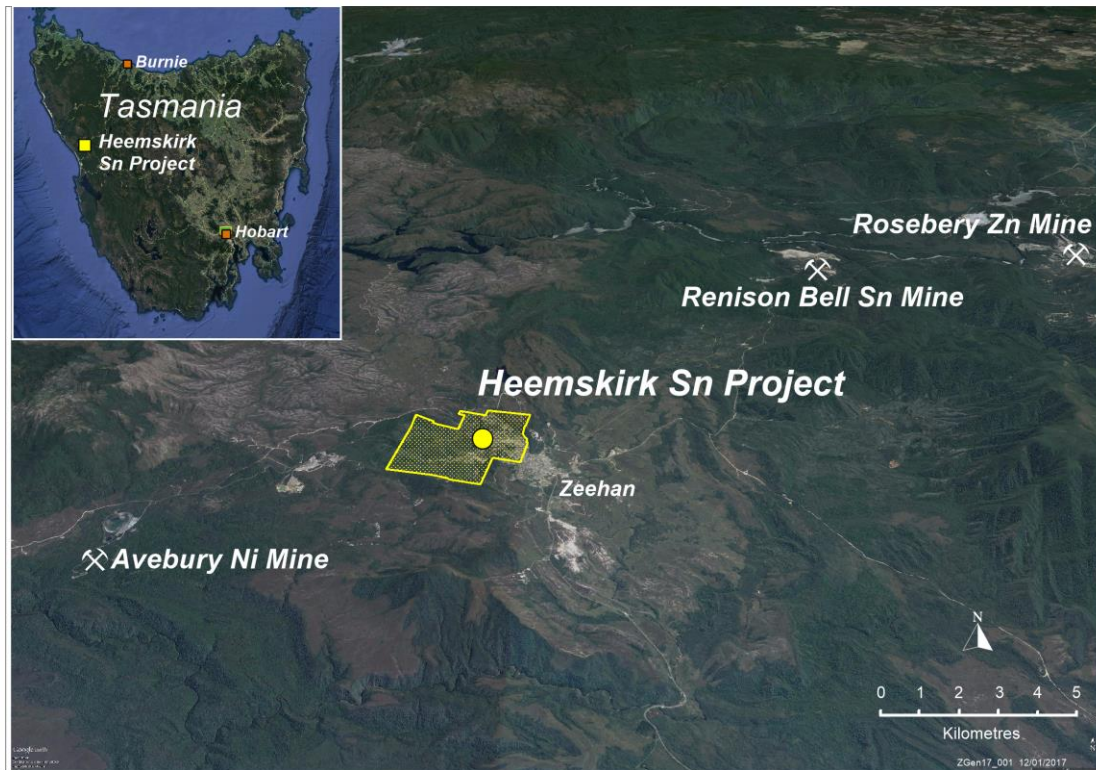
Project Achievements

PFS Mine Plan

Heemskirk – Discovery to Production



NW Tasmania – Australia's largest and most productive tin field



Evolution of a world class tin project

- QH tin deposit discovered early 1960s by Gippsland Ltd
- Aberfoyle JV with Gippsland in 1971 – discovered Montana and Severn deposits
- Tin deposits located within Tasmania's most productive mineral field
- Renison Bell, Australia's oldest and largest tin mine is located 18km away to the NE of the Heemskirk project
- Stellar listed on ASX in 2005
- Stellar acquired Aberfoyle's 60% interest for \$1.2m in 2008
- Remaining 40% interest acquired from Gippsland Ltd in 2012 for \$3.5m
- A\$11m spent to date on drilling, geology, metallurgy, environmental and mining and processing studies
- Potential to develop another Renison Bell

JORC 2012 confirms resource quality

Mineral Resource estimate more robust following JORC 2012 upgrade

- 6.35mt @ 1.13% Sn or 72,000t of contained Sn
- 97% of contained Sn is in the form of cassiterite – the most readily recoverable Sn mineral
- 64% of Indicated Resource in Lower Queen Hill – first deposit in development queue
- LQH Indicated Resource of 0.82mt @ 1.42% Sn is particularly high grade
- All Sn deposits at Zeehan are open at depth and have significant exploration potential
- Next step is infill drilling with a focus on high grade zones



Classification	Deposit	Tonnage mt	Total Sn %	Contained Cassiterite ¹ Sn t	% of total Sn	Cu %	Pb %	Zn %	S %	SG mg/l
Indicated	Upper Queen Hill	0.47	1.15	5,000	91	0.12	1.3	0.81	13.80	3.72
	Lower Queen Hill	0.82	1.42	12,000	99	0.03	0.22	0.23	17.91	3.45
Total Indicated		1.29	1.32	17,000	96	0.06	0.61	0.44	16.55	3.55
Inferred	Lower Queen Hill	0.35	1.50	5000	98	0.04	0.14	0.09	16.9	3.31
	Severn	4.03	0.97	39000	99	0.06	0.03	0.05	8.34	3.18
	Montana	0.68	1.56	11000	96	0.07	0.72	1.18	17.8	3.68
Total Inferred		5.06	1.09	55000	98	0.06	0.13	0.25	10.23	3.26
Total Indicated + Inferred		6.35	1.13	72,000	97	0.06	0.23	0.29	11.48	3.32

1. cassiterite = (total Sn% - soluble Sn%)/total Sn%

2. block cut-off grade of 0.6% tin

3. tonnes rounded to reflect uncertainty of estimate

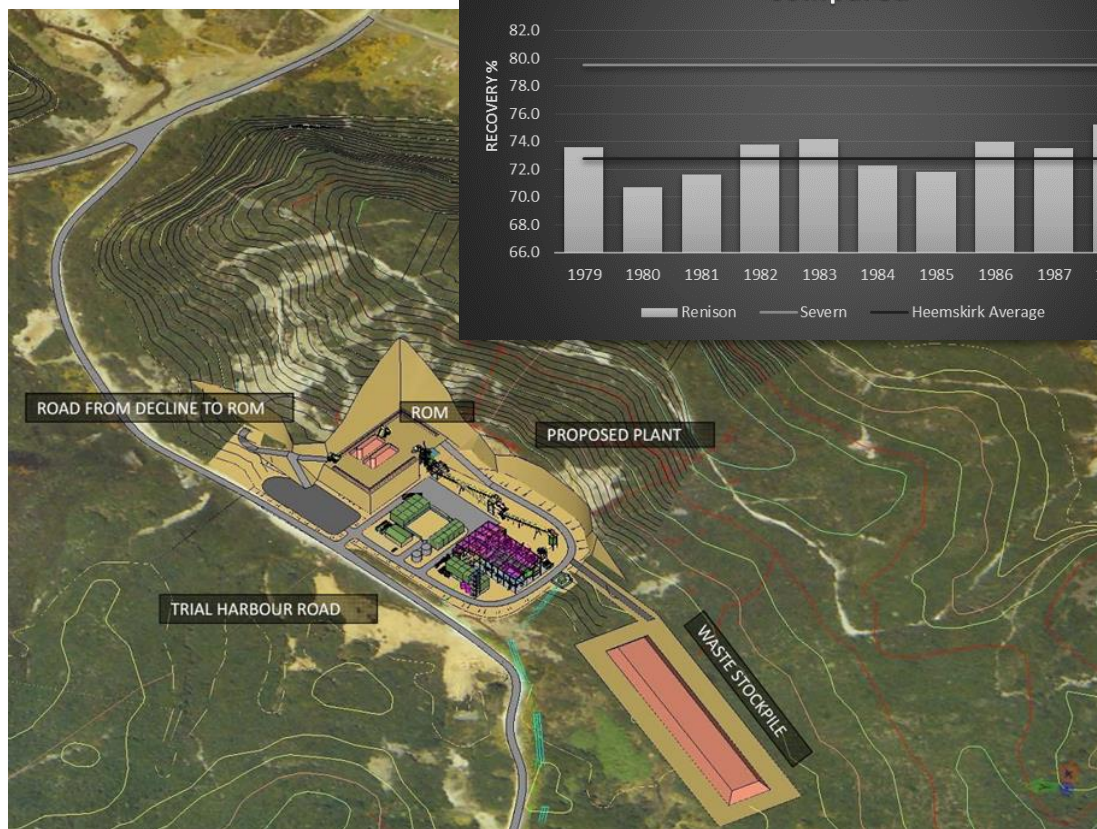
4. estimates prepared by Resource and Exploration Geology

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

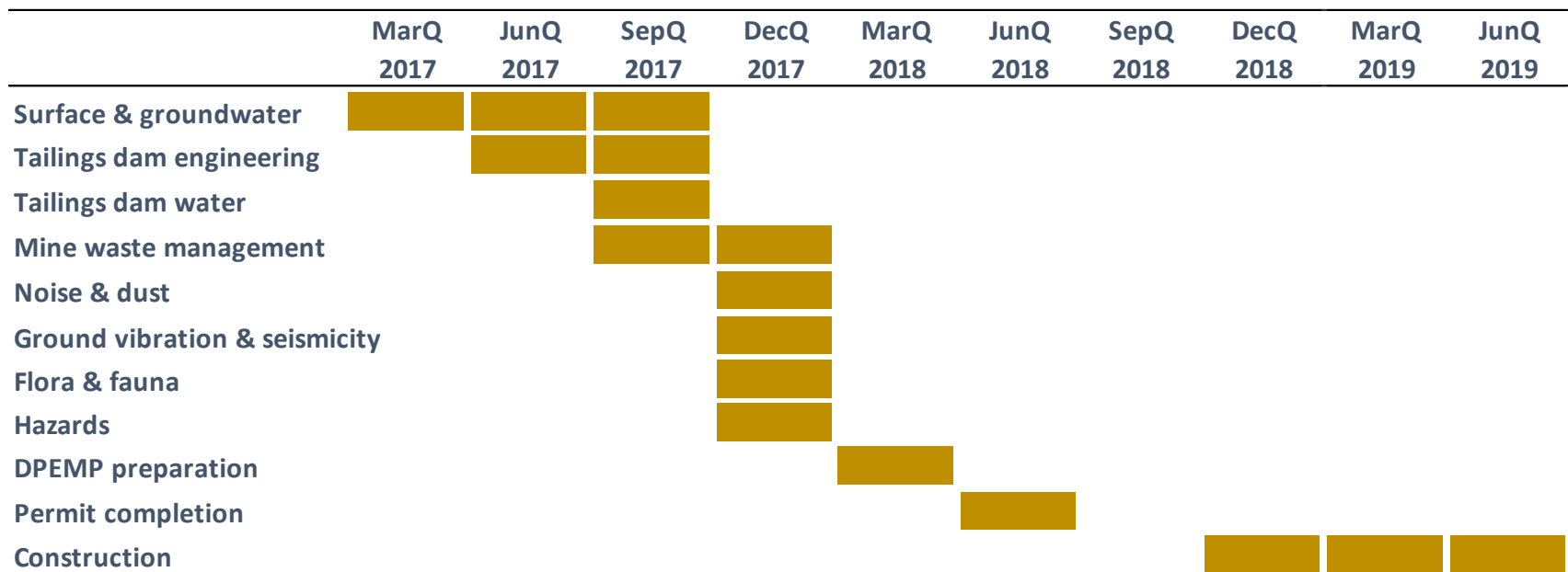
- Process flow sheet developed by ALS and WorleyParsons
- Plant layout and imaging developed by GR Engineering and Mincore



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



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**

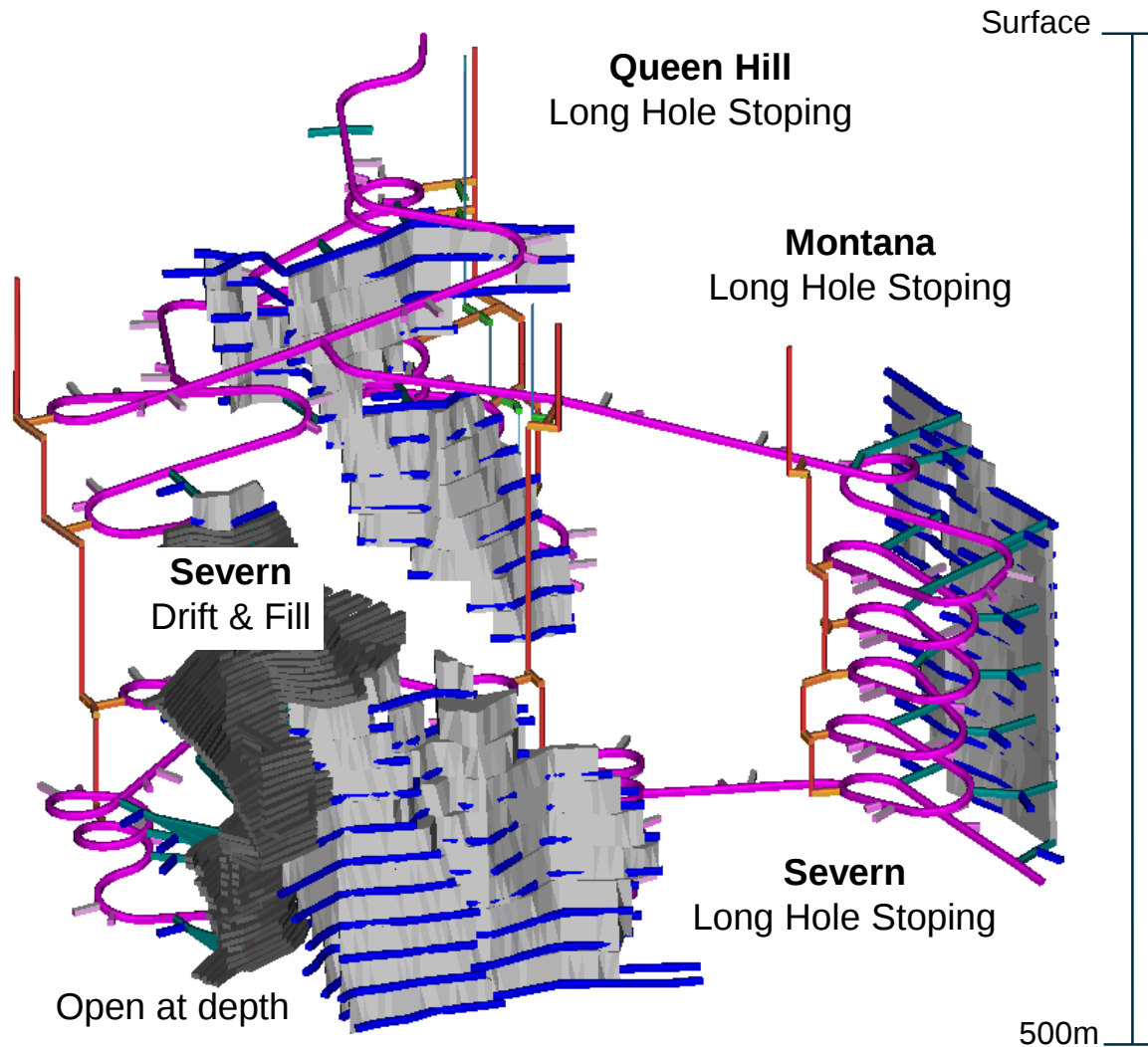
July 2016

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

February 2017

- **Mining Lease Granted** – tenure increased to 12 years with secure access to Sn and other metallic minerals

Heemskirk PFS mine plan



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