

Stellar Resources

ASX Announcement



10 January 2018

Advanced Tin Development Option Added to Stellar Portfolio

The Directors of Stellar Resources Limited (ASX: SRZ, “Stellar” or the “Company”) are pleased to advise that the Company has added to its portfolio of Tasmanian tin properties with the recent grant of Mount Razorback EL11/2017. The EL contains the historical Razorback and Grand Prize tin mines and a tailings dam. Between 1975 and 1978, the Razorback mine produced 153t of tin in concentrate valued at \$3.8m at today’s A\$ tin price. This property has a number of attributes that make it a particularly attractive bolt-on for the Heemskirk Tin project.

Capital Structure

Shares: 379,713,489
Share Price (SRZ): A\$0.017
Listed Options: 59,142,857
Option Price (SRZO): A\$0.004
Unlisted Options: 15,000,000

Commodity

Tin Price: US\$20,050/t
Exchange Rate US\$ 0.78

Main Shareholders

European Investors 19.5%
Capetown SA 16.4%

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

Melanie J Leydin

Company Secretary

- Close proximity to Zeehan (10km on existing roads) and the Renison tin mine (8km to the north)
- Potential to recover cassiterite tin from the tailings dam
- Potential to define a mineral resource below the Razorback open pit
- Exploration potential along a 3km fault structure between the Razorback and Grand Prize mines.

Managing Director Peter Blight said “Adding the Mount Razorback EL to the Company’s portfolio of Tasmanian tin assets is a great way to start the new year. This is the third significant tin asset in a portfolio that already includes JORC resources at St Dizier and Heemskirk.”

“The synergy Mount Razorback offers Heemskirk Tin and the advanced nature of its tin prospects make it a compelling addition” he added.

ASX Code: SRZ

About Stellar:

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Australia

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.

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Location

The Mount Razorback EL is located 10km to the east of Zeehan (see Figure 1). There is an unsealed road network within the EL that allows easy access to historical mines and the main exploration targets. Any economic tin mineralisation discovered within the EL could be easily transported to a proposed processing facility at Zeehan or any other processing facilities in the area.

Figure 1: Tenement Map showing EL11/2017 and Heemskirk MLs



Exploration Potential and Work Program

Stellar plans to focus on the Razorback mine and associated targets with three opportunities identified to date.

- 1) **The economic recovery of tin from tailings.** Sampling and metallurgical testing of tailings should establish whether modern processing technology can improve on historical recovery to produce a saleable product. **Initial sampling and tailings characterisation is to be completed in March quarter 2018.**
- 2) **Identification of a resource below the open pit.** Diamond drilling by previous title holders both before and after Minops mining activity has shown that a resource exists below and down-plunge of the open pit. **During March quarter 2018, Stellar plans to create a 3D model of historical drilling in order to establish a JORC 2012 compliant mineral resource and to identify drilling targets.**

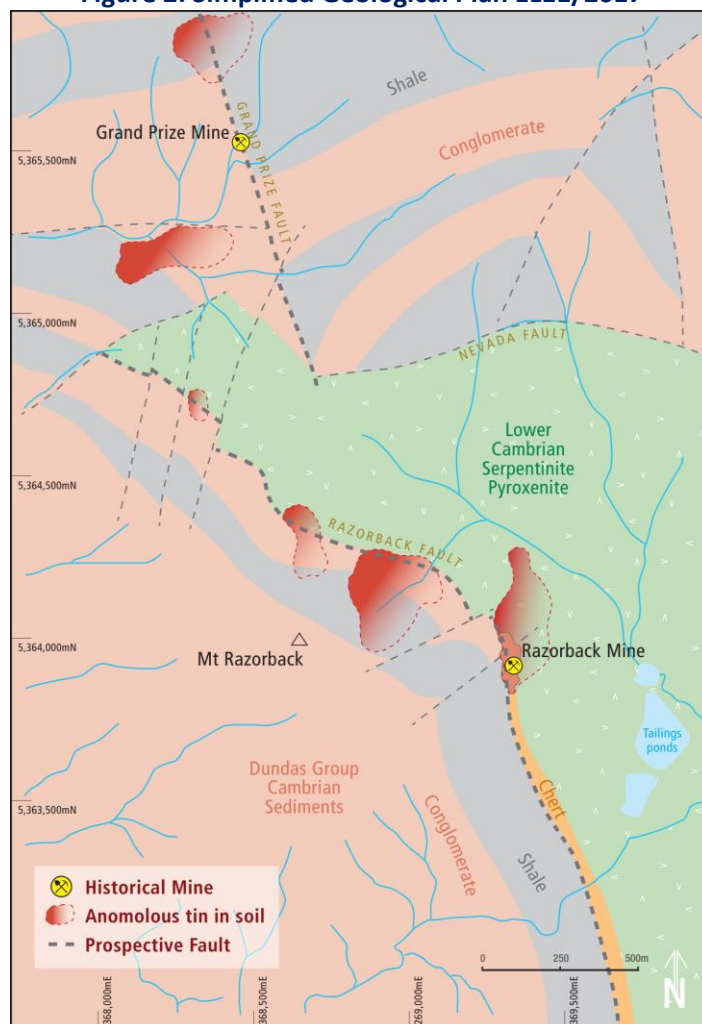
In addition, the availability of an open pit will allow sampling across the pit floor to establish the distribution of mineralisation and access for the extraction of a bulk sample for metallurgical testing. Any improvement in recovery from the tailings test work should also have positive implications for the resource.

- 3) **Along-strike exploration.** The Razorback Fault extends for more than 3km to the north and south of the mine (see Figure 2). It provides an attractive geological setting for repetition of the Razorback mineralisation. In addition, surveys by previous explorers show elevated tin in soil in the vicinity of the fault. Historical diamond drilling to the north and south of the Razorback mine is sparse providing an opportunity for further exploration.

Geology

Shales, greywacke and conglomerates of the Cambrian Dundas Group comprise the dominant rock group in the area (see Figure 2). It is likely that the sediments were intruded by a sill of ultramafic pyroxenite which was subsequently serpentinised. Deformation during the Devonian, led to folding of the sediments and the development of northwest trending faults that in the Mt Razorback area juxtaposed serpentinite against conglomerates and shales. The faults were also conduits of hydrothermal fluids that altered the wall rocks and in places decomposed serpentinite to talc-carbonate-silica rock.

Figure 2: Simplified Geological Plan EL11/2017



Mineralisation

At the Razorback mine, the talc-carbonate-silica alteration zone strikes over 200m along the fault and varies in thickness from 3m to 30m. It contains tin in the form of cassiterite along with pyrrhotite, pyrite and arsenopyrite. At Grand Prize, the alteration is less developed, possibly due to the absence of serpentinite and mineralisation occurs in sulphide veins within the Grand Prize Fault.

The tin deposits at Grand Prize and Razorback are often compared to that at Renison. The reason for the comparison is that all deposits are associated with northwest trending structures (as are the Heemskirk deposits), have similar mineralogy and lie in close proximity to the Pine Hill quartz porphyry, long viewed as the source of the tin bearing hydrothermal fluids at Renison.

History of Mining

In 1909, tin was discovered at **Grand Prize** and Razorback by tracing alluvial tin to its source rock. Initial mining at both deposits involved shaft sinking, driving and hand sorting to produce small volumes of concentrate. Between 1909 and 1960, several syndicates operated the Grand Prize mine.

At **Razorback** a processing plant was built in 1918 and was operated sporadically by several different owners until the 1960s. In 1974, Minops Pty Ltd completed a feasibility study on Razorback and subsequently developed an open pit mine and concentrator (see Figure 3). According to Annual Reports produced by Mineral Resources Tasmania, the mine operated from 1975 to 1978 and produced 100,352t of ore from which 153t of tin in concentrate were recovered.

Figure 3: View of Razorback Open Pit and Tailings Pond



Heemskirk Tin Project

Stellar Resources Limited is a tin exploration and development company that is focused on developing its flagship Heemskirk Tin Project in western Tasmania.

The project has two significant competitive advantages. First, Heemskirk has a JORC 2012 compliant Mineral Resource of 6.4mt @ 1.13% Sn which makes it the highest grade undeveloped tin project of significance listed on the ASX. Second it has an excellent location within the historic west coast mining district of Tasmania (see Figure 4).

Access to existing infrastructure including power, sealed roads and water is a significant advantage over more remote tin projects. In addition, the project is located next to the mining town of Zeehan which provides a supportive community, access to skilled miners and accommodation. The service industry, established to support existing long-term mines in the district, also provides an opportunity for access to competitive suppliers.

Figure 4: Stellar Resources Tenement Map, Western Tasmania



For further details please contact:

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

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.

The drill and exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr R K Hazeldene (Member of the Australasian Institute of Mining and Metallurgy and Member of the Australian Institute of Geoscientists) who is an employee of the Company. 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, 2012 Edition). Mr Hazeldene consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. It should be noted that the abovementioned exploration results are preliminary.

Forward Looking Statements

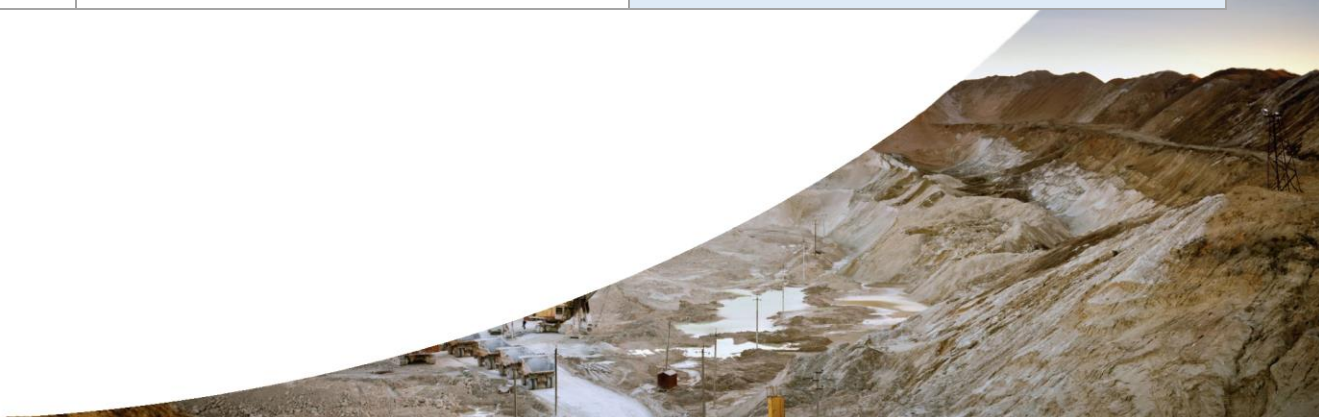
This report may include forward-looking statements. Forward-looking statements include, but are not limited to statements concerning Stellar Resources Limited's planned activities and other statements that are not historical facts. When used in this report, the words such as "could", "plan", "estimate", "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.



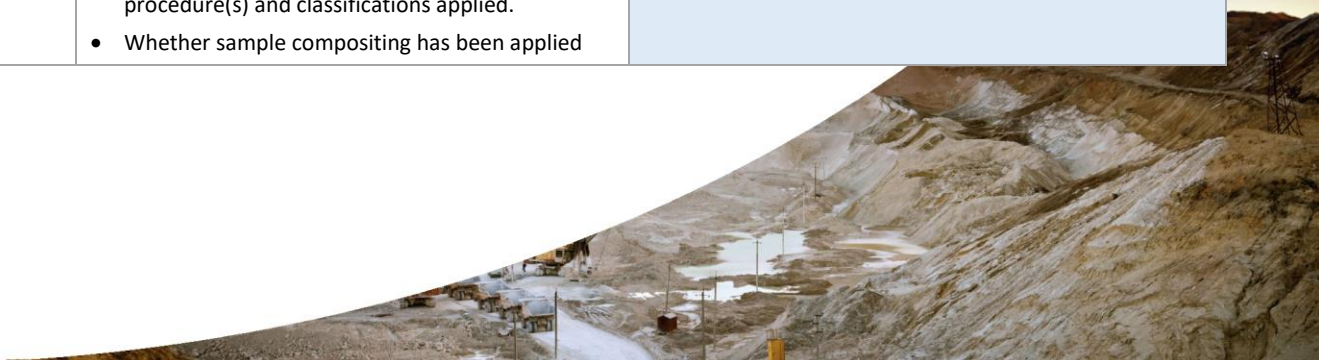
APPENDIX 1: JORC Code, 2012 Edition – Table 1

Section 1: Sampling Techniques and Data (criteria in this section apply to all succeeding sections)

Criteria	JORC Code Explanation	Commentary
Sampling techniques	- Nature and Quality of sampling (e.g. cut channels, random chips or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or hand held XRF instruments etc.). - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverized to produce 30g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or sampling types (e.g. submarine nodules) may warrant disclosure of detailed information.	- EL11/2017 contains two historical tin mines Razorback and Grand Prize. Early, small-scale and intermittent production from both mines began in 1909. Razorback operated most recently between 1975 and 1978 as an open pit mine and was the most significant producer of the two. - Tin ore and tin in concentrate production discussed within this ASX release refers to historical annual records published by Mineral Resources Tasmania for the Razorback Mine. There are no reliable records for the Grand Prize mine. - No sampling by Stellar is included in this report.
Drilling Techniques	Drill type (e.g. core, reverse circulation, open hole hammer, rotary air blast, auger, Bangka, sonic etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face sampling bit or other type, where core is oriented and if so by what method, etc)	No drilling completed
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximize sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material	Not applicable
Logging	- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc.) photography. - The total length and percentage of the relevant intersections logged.	Not applicable



Criteria	JORC Code Explanation	Commentary
Sub-Sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub sampling stages to maximize representivity of samples. • Measures taken to ensure that the sampling is representative of the insitu material collected, including for instance results of field duplicate/second half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled	• Not applicable
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibration factors applied and their derivation etc. • Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	• Not applicable
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Not applicable
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and downhole surveys) trenches, mine workings and other locations used in mineral resource estimation • Specification of grid system used • Quality and accuracy of topographic control.	• No sampling reported in this release
Data Spacing and distribution	• Data spacing for reporting Exploration Results • Whether data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied	• No sampling reported in this release



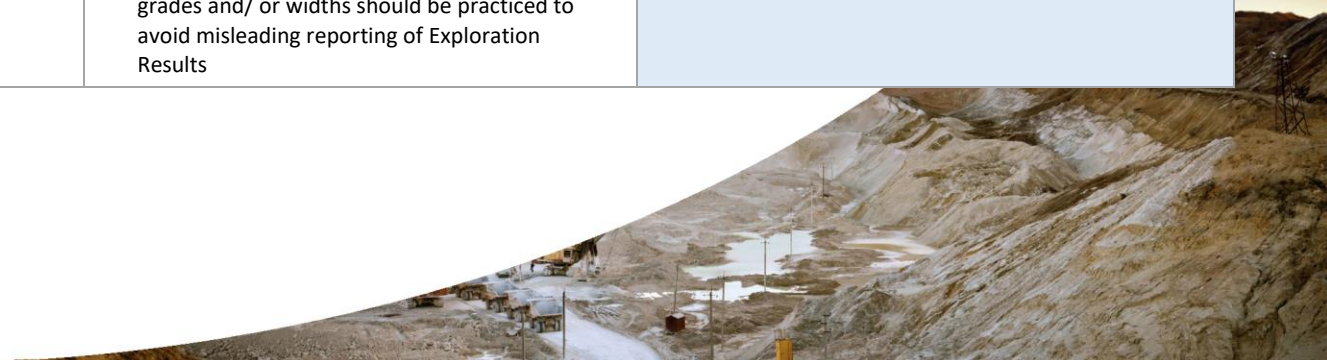
Criteria	JORC Code Explanation	Commentary
Orientation of data in relation to geological structure	- Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. - If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No drilling results included in this release
Sample Security	The measures taken to ensure sample security.	Not applicable as no sample results included in this release.
Audits or Reviews	The results of any audits or reviews of sampling techniques and data.	No audits or reviews completed

Section 2: Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of tenure held at the time of reporting along with known impediments to obtaining a license to operate the area	- EL11/2017 is 100% owned by Stellar Resources' wholly owned subsidiary Columbus Metals Limited. There are no other interests in the property. - EL11/2017 is located 10km to the east of Zeehan on Tasmania's west coast. Access to historical mine sites within the EL is provided by existing roads. - EL11/2017 was granted on 6th December 2017 for a period of 5 years based on an agreed program of work.
Exploration done by other parties	Acknowledgement and appraisal of exploration by other parties.	- Early mining activity occurred in the 1909 to 1960 period following the discovery of tin in surface outcrops. - Modern exploration was conducted at Grand Prize by Placer Limited from 1964 to 1968 and Renison Limited from 1968 to 1987. - Placer explored Razorback from 1964 to 1968 followed by Renison from 1968 to 1971. Minops Pty Ltd mined Razorback from 1975 to 1978. After the mine closed, CRA limited explored around the mine from 1978 to 1980.
Geology	Deposit type, geological setting and style of mineralization.	- Tin mineralization at the Grand Prize mine is related to small, discontinuous and thin fissure lodes within the Grand Prize Fault. - Tin mineralization at Razorback occurs as cassiterite associated with pyrrhotite, pyrite and arsenopyrite within a broader alteration zone of talc/carbonate/silica rock. The alteration zone is from 3m to 30m thick and 200m in strike length. It lies within and parallel to the Razorback Fault which juxtaposes serpentinites and conglomerates/shales of Cambrian Dundas Group sediments.



Criteria	JORC Code Explanation	Commentary
Drill hole information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level - elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - downhole length and interception depth - hole length - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case	No drilling results are reported in this release.
Data aggregation methods	- In reporting of Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cutoff grades are usually material and should be stated. - Where aggregate intercepts include short lengths of high grade results and longer lengths of low grade results, the procedure used for aggregation should be stated and some examples of such aggregations should be shown in detail - The assumptions used for any reporting of metal equivalent values should be clearly stated.	No exploration results are reported in this release.
Relationship between mineralisation widths and intercept lengths	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralization with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. down hole length, true width not known)	No drill results reported in this release.
Diagrams	Appropriate maps and sections (with scales) and tabulated intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill collar locations and appropriate sectional views.	None included
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/ or widths should be practiced to avoid misleading reporting of Exploration Results	No exploration results reported in this release.



Criteria	JORC Code Explanation	Commentary
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey result; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	No exploration results reported in this release
Further work	- The nature and scale of planned further work (e.g. test for lateral extensions or depth extensions or large scale step out drilling). - Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	- All historical drill hole and mine plan data is being compiled into a 3D data base for the Razorback mine to determine a JORC 2012 compliant mineral resource and to identify drilling targets. - Sampling of Razorback tailings will be undertaken to characterize the distribution of un-recovered cassiterite. - Exploration along the Razorback Fault.

