Stellar Resources
ASX Announcement

STELLAR

24 September 2015

Substantial increases in Heemskirk tin NPV

Highlights

- **62% increase in NPV to A$99m**
- **Preproduction capital cost reduced to A$110.3m**
- **Average tin recovery increased by 4.5%**
- **Total operating cost reduced to A$21,355/t Sn (US$14,949/t)**
- **Project cash flow positive at bottom-of-the-cycle** tin price US$15,500/t and 0.70USD/AUD exchange rate
- Project's position on tin industry cost curve greatly improved
- **Greater geological understanding points to increased NPV with drilling**
- More definitive drilling to commence once funding is in place

Stellar Resources Limited (ASX: SRZ, "Stellar" or the "Company") is pleased to announce the results of its PFS optimisation studies. The NPV of the Heemskirk tin project has been substantially upgraded to A$99m, highlighting Stellar and its 100% owned project as the premier pre-production tin opportunity on the ASX.

Managing Director Peter Blight said: *"The successful results from the optimisation program have greatly enhanced the economics of our Heemskirk tin project. This outcome capitalises on the outstanding results from the March 2015 metallurgical testing program and more recently on the benefits from mining efficiency and processing cost studies. This work has placed Stellar in a strong position to accelerate definitive feasibility drilling and studies once funding has been secured. I would like to thank the significant effort from our staff and contractors in achieving this great result."*

Issued Capital

Shares:	*300,227,775*
Share Price:	*A$0.03*
Market Cap:	*A$8.1million*

Commodity

Tin Price:	*US$15,100/t*
Exchange Rate US$	*0.70*

Main Shareholders

European Investors	*26.0%*
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
Markus Elsasser
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Christina R Kemp
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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.

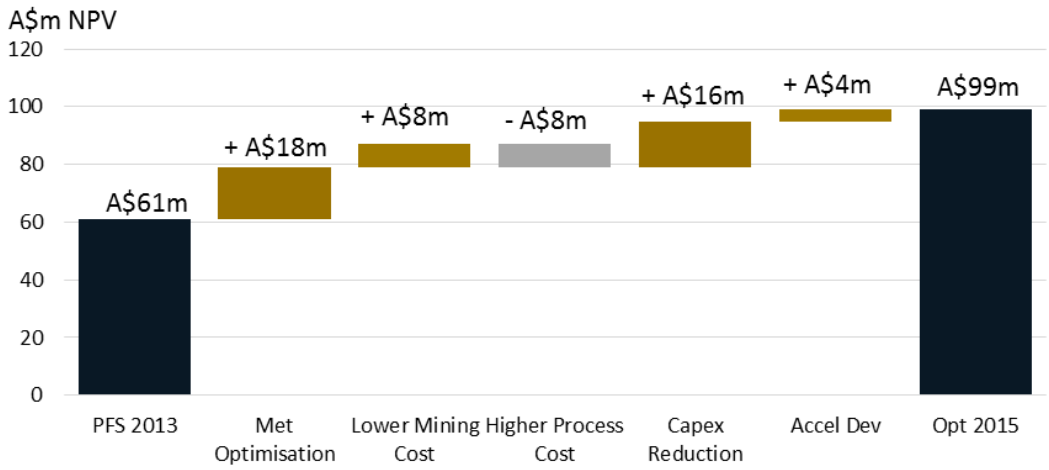
Overview

Stellar is pleased to announce a reduction in capital and operating cost assumptions, from those in the 2013 Heemskirk tin project Preliminary Feasibility Study ("PFS") (ASX release 24 July 2013). This resulted from project optimisation work that identified the following:

- Simplification of the metallurgical process flow sheet (refer to ASX release 24 March 2015)
- An increase in average tin recovery by 4.5% to 72.8% (refer to ASX release 24 March 2015)
- Substantial capital equipment price reductions
- Reduced engineering and construction costs
- Optimised underground mine development rates
- Use of transverse open stoping and paste fill instead of cemented aggregate fill, as well as more extensive use of waste rock fill

Together these contribute to the optimised NPV as shown in Figure 1.

Figure 1: NPV optimisation

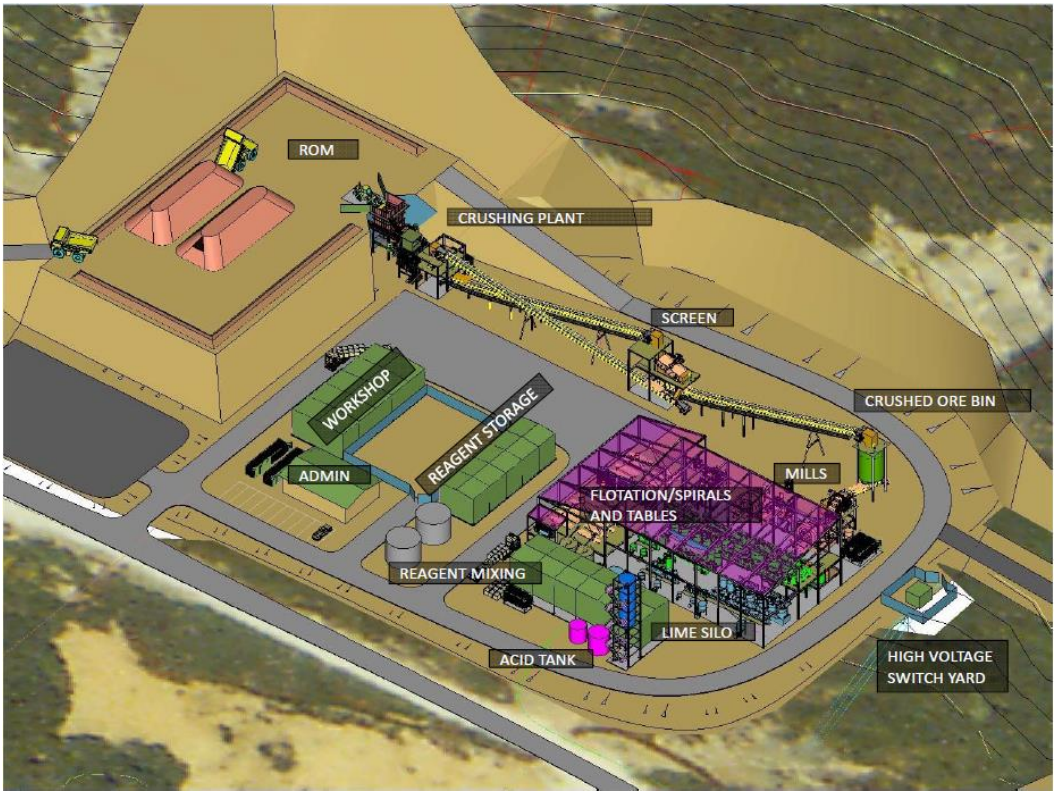


The optimised NPV has used the same price assumptions as those used in the earlier PFS NPV estimate (i.e. tin price (US$25,500/t), exchange rate (0.90USD/AUD) and discount rate (8%pa real)). The long-term tin price assumption of US$25,500/t for 2019 and beyond was recently supported by cost-curve analysis undertaken by the International Tin Research Institute ("ITRI").

Optimisation has added A$38m to the value of the Heemskirk tin project increasing the NPV by 62% to A$99m. As Figure 1 shows, metallurgical optimisation added A$18m through a 4.5% improvement in average recovery. The benefit of a reduction in mining cost has been offset by an increase in the processing cost. Simplification of the processing plant and other reductions in pre-production capital added A$16m to the valuation with another A$4m added through faster mine development than originally planned.

The main simplifications to the process plant design include a reduction in the size of the primary grinding circuit and removal of heavy media separation and silica flotation circuits (refer Figure 2)

Figure 2: Optimised processing plant layout



Capital expenditure reduction

Following the optimisation program, budgeted pre-production capital expenditure has been reduced by 12.9% or A$16.3m to A$110.3m (refer Table 1). In addition, due to the favourable movement in the exchange rate, costs have declined even further when compared in US$ terms, with capital expenditure per tonne of ore treated falling from US$190/t at the time of the earlier PFS to the current figure of US$129/t.

Table 1: Capital cost reduction through optimisation

Capital Item	PFS 2013 A$m	Optimised 2015 A$m	Change %	Comments
Mine	37.9	35.5	-6.5	Mine development reduced to 12 months
Process	88.7	74.8	-15.7	Plant simplification and lower cost sourcing
Total A$m	**126.6**	**110.3**	**-12.9**	More productive development
Total US$m	**114.0**	**77.2**	**-32.3**	Weak A$ provides competitive advantage
Total US$/tonne ore	**190**	**129**	**-32.3**	Annual throughput remains at 0.6mt

Estimated mine development costs have been reduced by 6.5% due mainly to the recent track-record of contract miners for improved decline development rates (refer Table 1). Assuming an advance rate of 180m/month reduces the decline development schedule from 17 months to 12 months. This benefit has been partly offset by the decision to build a paste fill plant rather than using the lower capital cost alternative of cemented aggregate fill. This decision has a positive long-term effect on the project with lower operating costs.

Process plant and surface infrastructure costs were reduced by 15.7% and account for 85% of the overall reduction in capital costs. Metallurgical optimisation led to a simplified flow sheet by removing two circuits and reducing the size of the primary mill. Some of this benefit has been offset by the need for larger secondary grinding, gravity and flotation circuits however lower equipment prices and more efficient construction are also expected to provide capital savings.

Another major benefit since the PFS in July 2013 has been the securing of a superior, life of mine, tailings dam site resulting in a 33% reduction in the overall costs associated with this facility.

Operating cost reduction

The 8.2% reduction in total operating cost (C3) to A$21,355/t is a function of a 5% reduction in mining, processing and administration cost (C1) and a 26% reduction in depreciation and amortisation expense due to lower pre-production capital expenditure (refer Table 2). In US$ terms, at the spot exchange rate of 0.70USD/AUD, total operating cost (C3) is competitive at US$14,949/t.

The overall 5.0% reduction in mining, processing and administration cost (C1) to A$14,927/t tin in concentrate includes a 12% reduction in mine cost. The adoption of paste-fill over cemented aggregate fill is the main reason for this lower mining cost.

These savings are somewhat offset by a 10% increase in processing cost (refer Table 2), largely because of higher reagent consumption rates in some circuits and price increases for some inputs (sulphuric acid and power) since the 2013 PFS. The price of inputs will be thoroughly investigated during the course of the Definitive Feasibility Study ("DFS") and it is anticipated that more favourable prices will be achieved through negotiation of long-term contracts.

Table 2: Operating cost reduction through optimisation

Activity	PFS 2013 A$/t Sn	Opt 2015 A$/t Sn	Change %	Opt 2015 US$/t Sn 0.70USD/AUD
C1 mining, processing, admin	15,705	14,927	-5.0	10,449
+ tc/rc, transport,royalties	3,229	3,229	0.0	2,260
C2 cash operating cost	18,934	18,156	-4.1	12,709
+ depreciation & amortisation	4,335	3,199	-26.2	2,239
C3 total operating cost	**23,269**	**21,355**	**-8.2**	**14,949**

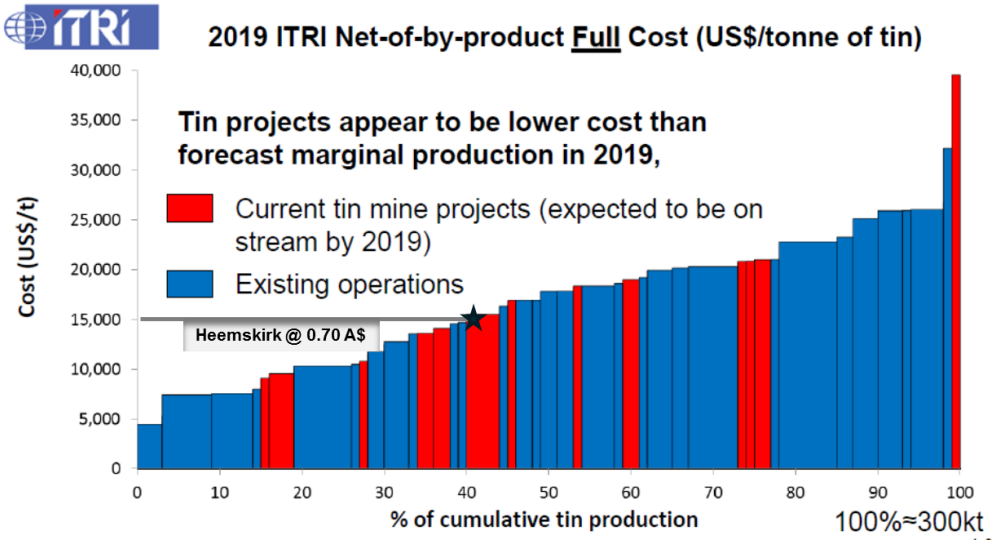
At the current spot tin price of A$22,143/t, the Heemskirk tin project is cash flow positive under both the PFS and Optimisation scenarios (refer Table 3). Optimisation has increased the cash margin (cash profit/spot tin price) to 18.0% from 14.5% under the PFS.

Table 3: Cash margin has increased to 18%

Cash Margin	PFS 2013 A$/t Sn	Opt 2015 A$/t Sn	Change %
Spot tin price & 0.70USD/AUD	22,143	22,143	
Total cash cost	18,934	18,156	-4.1
Cash profit A$/t	**3,209**	**3,987**	**24.2**
Cash margin %	14.5	18.0	

The optimised total unit cost (C3) of US$14,949/t places the project in a competitive position on the tin industry cost curve (refer Figure 3).

Figure 3: Heemskirk's strong competitive position



Optimisation and PFS assumptions compared

The main physical and financial parameters as a result of the optimisation are compared with those of the PFS in Table 4. No changes were made to the original PFS assumptions regarding the mining inventory, mine production rate, ore processing rate and ore grade.

Table 4: Technical and economic summary

Parameter	Unit	PFS Value 2013	Opt Value 2015
Mining inventory	mt	3.95	3.95
Mined ore grade	% Sn	1.06	1.06
Average mill throughput	mtpa	0.6	0.6
Initial mine life	years	6.8	6.8
Tin recovery	%	69.7	72.8
Average concentrate grade	%	48	45
Average Sn in Concentrate	t	4,327	4,527
Pre-production capital	A$m	126.7	110.2
Sustaining capital	A$m	60.5	62.1
C1 mine gate cash cost	A$/t Sn	15,702	14,927
C3 total cost	A$/t Sn	23,269	21,355
$NPV_{pre\text{-}tax,\ 8\%}$	A$m	61	99
$IRR_{ungeared}$	%	19	27
Payback	years	3.7	3.0

Next steps

Planning is underway to commence a DFS as soon as funding is secured. The critical steps in the process will be:

- Conversion of Mineral Resource to Ore Reserve: 24,250m diamond drilling program targeting Severn, Queen Hill and Montana deposits
- Testing of the current metallurgical circuit designed for Severn, using representative samples from Upper and Lower Queen Hill, Montana and blends of all deposits
- Pilot scale metallurgical testing of a large ore sample to confirm process design, equipment sizing, characterisation of tailings and concentrate quality
- Development of a detailed mine plan and production schedule
- Environmental studies for submission of a DPEMP to government authorities and Permit application
- Metallurgical variability testing in accordance with the ore production schedule
- Engineering study of the process plant and surface infrastructure
- Completion of a DFS in support of project financing requirements

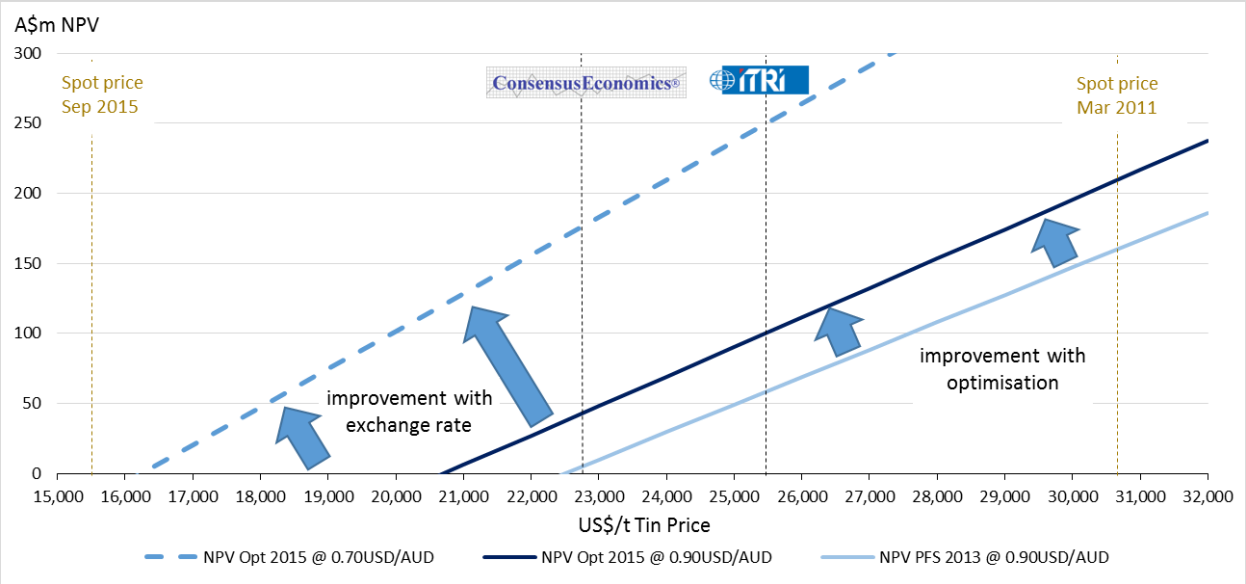
The DFS drilling campaign will test extensions to high grade tin zones identified in the recent geological review. In addition, deeper drilling has the potential to convert mineral resource into mining inventory thereby extending mine life by up to two years.

The NPV is highly sensitive to positive grade and tonnage outcomes from the drilling as shown below:

- 5% increase in average grade would add $26m or 26% to the NPV
- 30% increase in mining inventory would add $26m to NPV

There is also considerable NPV upside as the spot tin price recovers from the current bottom-of-the-cycle price of US$15,500/t (refer Figure 4).

Figure 4: NPV sensitivity to tin price and exchange rate



APPENDIX: Optimisation Scope, Methodology and Costs

SCOPE

The aim of the Optimisation Program was to follow through on a number of recommendations from the PFS ahead of a commitment to a DFS.

The most pressing recommendation was to develop a more complete and robust database of metallurgical test results. Following on from the success of the metallurgical program, a review to determine the impact of various factors including improved tin recovery, process plant modifications, consumable rates and input prices on operating and capital cost was also completed.

Given evidence of improved productivity from underground mining contractors, mining assumptions were reviewed. In addition, a review of stope fill options showed an opportunity for a lower cost approach in parts of the Severn deposit. An increase in mining contractor availability also provided an opportunity to test the PFS mining assumptions against current pricing from contractors.

There was no change to the mine schedule developed by MiningOne for the PFS apart from a reduction in the time required for pre-production mine development from 17 to 12 months.
Mine production and plant throughput remained at the PFS level of 600,000 tonnes per annum at an average grade of 1.06% Sn.

The Optimisation study was conducted by Stellar Resources in conjunction with input from industry experts (refer Table 5).

Table 5: Optimisation contractors and consultants

Discipline	Contractor	Outcome
Mining	Polberro Consulting	mining method review development strategy contractor costs
Metallurgy	WorleyParsons ALS AMMTEC	lab test supervision lab test work
Processing	WorleyParsons/GRES GRES WorleyParsons/GRES Mincore	plant design modifications plant capital review plant operating cost review plant model
Infrastructure	Rob Hill & Assoc John Miedecke & Partners	power pricing TSF site studies
Environment	John Miedecke & Partners	DPEMP schedule

METHODOLOGY

Mineral Resources

The Mineral Resource Statement appended to this report was previously used to prepare the PFS release on 24 July 2013 and was first reported in accordance with the 2004 edition of the JORC Code on 14 March 2013. There have been no material events since the release of the Mineral Resource Statement that require it to be changed in any way. It should be read in conjunction with the appended competent person's statement.

Mining Inventory

The Mining Inventory was last reported in a release dated 24 July 2013 "Pre-feasibility Study Advances Heemskirk Tin" and no material events have occurred in the time since that require any changes to that statement.

Mining Method

Polberro Consulting was asked by Stellar Resources to review the mining methods proposed by MiningOne in the PFS and investigate opportunities to apply more efficient mining methods. Polberro concluded that the original study accurately represented the situation for long-hole open stoping but noted an opportunity to apply a more productive mining method in wider sections of the Severn deposit. Polberro recommended the use of transverse open stoping where appropriate with paste fill replacing cemented aggregate fill throughout the mine and a more extensive use of low cost waste rock fill. This modification required no change to the scheduled production rate but provided considerable operating cost savings by reducing filling cost. It also increased scheduling flexibility by providing more ore production sources. The net present value of this saving over the initial life of mine was estimated to be A$8m.

Polberro Consulting was also asked to consider faster and potentially less expensive alternative approaches to accessing the deposits over the decline proposed by MiningOne for the PFS. The methods considered included shaft sinking and tunnel boring with both rejected because of increased capital cost. Polberro then compared recently reported advance rates for decline development by mining contractors to the 120m/month assumed by MiningOne in the PFS. In the cases considered, advance rates for single heading development were 200m/month or higher (refer Table 6). On that basis, Polberro modified the MiningOne assumption to 180m/month reducing the duration of pre-production development from 17 to 12 months. Faster mine development provided a small reduction in pre-production capital that was largely offset by the higher capital cost of a paste fill plant. The main impact of accelerated development was a $4 million addition to net present value from earlier ore production.

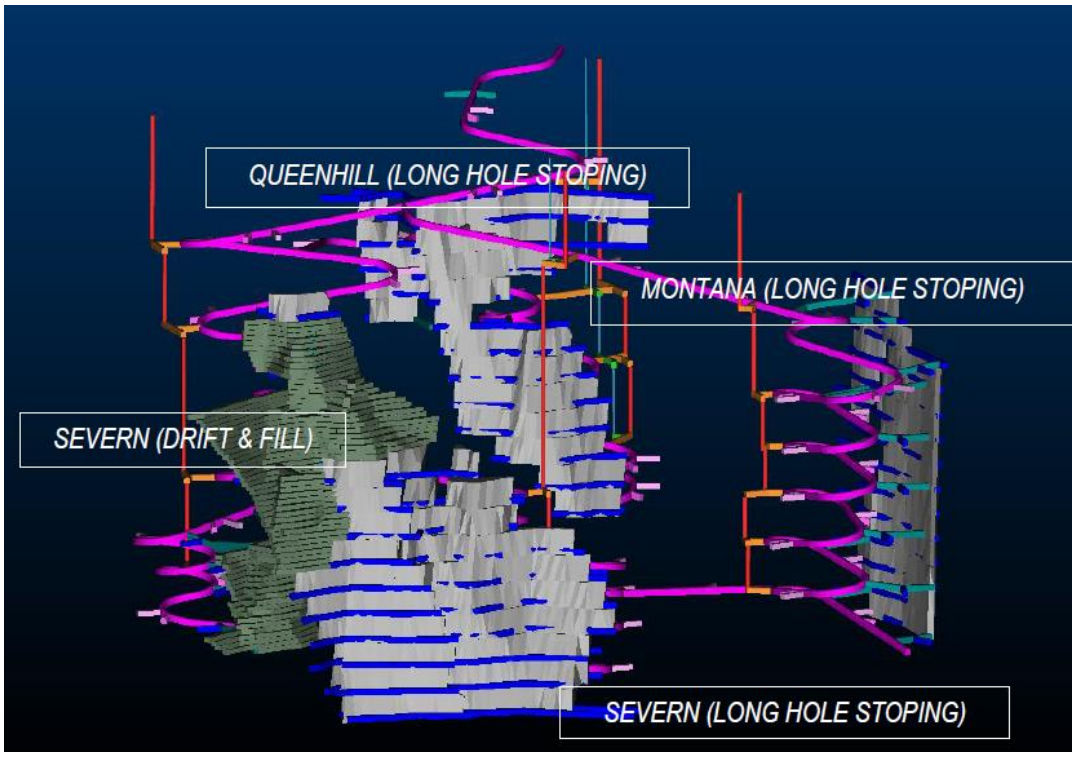
Table 6: Mining development rates

Source	Single Heading m/month	Multiple Heading m/month
PFS	120	240
Contractor 1	230	270
Contractor 2	200	270
Optimisation	180	270

Mining contractor quotes were found to be similar to the MiningOne assumptions in the PFS and as yet may not fully reflect the increasingly competitive market. All of the reduction in unit mining cost determined in the optimisation study is a function of the reduced cost of paste fill over cemented aggregate fill along with the more extensive use of waste rock fill.

The optimisation used the mine schedule produced by MiningOne for the PFS. The schedule is illustrated by the fully developed mine plan in Figure 5. At the DFS stage a new mining schedule incorporating the benefits of transverse open stoping will be proposed.

Figure 5: Fully developed underground mine plan



Metallurgy

In 2014, Stellar Resources commenced a metallurgical testing program in response to recommendations contained in the PFS to use a single sample of sufficient size to consecutively test each circuit in the flow sheet. ALS AMMTEC in Burnie, performed the test work under supervision from WorleyParsons.

A large "global" composite sample representing typical Severn mineralogy, composition and tin grade was prepared on the basis that Severn represented 60% of the Mineral Resource and was the only deposit that could provide sufficient drill core. The results were reported to the ASX on 24 March 2015 "Metallurgy optimisation upgrades Heemskirk NPV".

The program provided a number of important improvements to metallurgical performance, and flowsheet simplification, as well as generating more robust information with respect to optimum process design criteria and processing conditions.

Key outcomes of the program include:

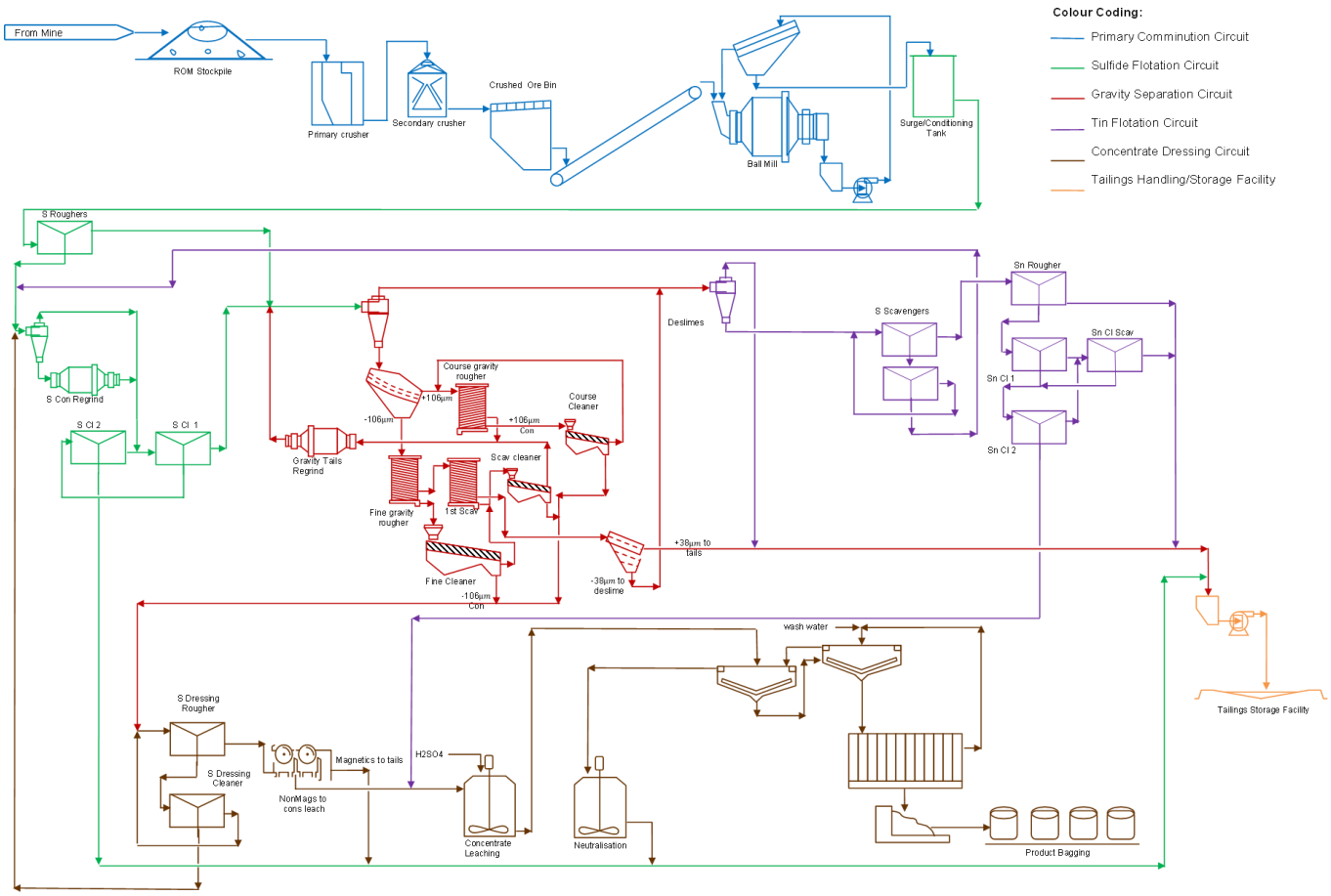
- Elimination of the heavy media separation circuit.
  - Provided a simplification to the overall process flowsheet and a reduction in associated tin losses, and is expected to provide an improved project outcome.
- Coarser primary grind; optimisation showed that a significantly coarser primary grind size (P80 = 250 µm) provided benefits over the PFS grind size (P80 = 130 µm).
  - Reduced tin losses due to reduced fines production
  - Reduced primary grind operating and capital costs, and comminution energy input
  - Significantly, the percentage of tin passing 30 µm (below which size gravity recovery is relatively poor) is estimated to decrease from ~43% passing 30 µm at a primary grind size of 130 µm (as assumed in the PFS), to only ~30% passing 30 µm at a primary grind size of 240 µm. This is equivalent to ~30% reduction in fine tin generation, and is a key contributor to the improved gravity recovery achieved.
- Optimisation of the sulphide flotation circuit has led to a significant reduction in tin losses to the final sulphide concentrate tailings stream. This, together with the elimination of the heavy media circuit has increased the amount of tin available for recovery within the gravity and tin flotation circuits.
- Optimisation of the gravity circuit, combined with upstream flowsheet improvements led to ~10% improvement in tin recovery via gravity.
- Improvements with the concentrate dressing circuit have led to improved gravity concentrate quality and clearly demonstrated that a high quality concentrate, low in penalty elements, can be readily produced.
- Elimination of the silica flotation circuit has provided a simplification to the overall process flowsheet.
- Optimisation of the de-slime cut point has minimised the combined slimes and tin flotation tailings losses
- Tin flotation test work has robustly demonstrated that commercially meaningful tin flotation concentrate grades can be achieved at acceptable recoveries
- Overall tin recovery for the Severn deposit is estimated to have increased to 79.5% at a final concentrate grade of 45% Sn (compared with PFS outcomes of 72.4% recovery into a 50.8% Sn concentrate).

Processing

The simplified PFS processing circuit proposed by WorleyParsons in consultation with GRES is illustrated in Figure 6. The main changes to the circuit are itemised below:

- Elimination of the heavy media separation circuit
- Coarser primary grind and reduction in size of the primary rod mill/ball mill circuit
- Increased size of sulphide flotation and finer regrind; sand milling to replace ball milling
- Increased size and optimisation of the gravity circuit
- Introduction of a magnetic separation in the gravity concentrate dressing circuit
- Elimination of the silica flotation circuit
- High intensity conditioning in tin flotation of sulphide scavenger feed and rougher concentrate
- Leaching of combined gravity and flotation concentrates

Figure 6: Modified flow sheet



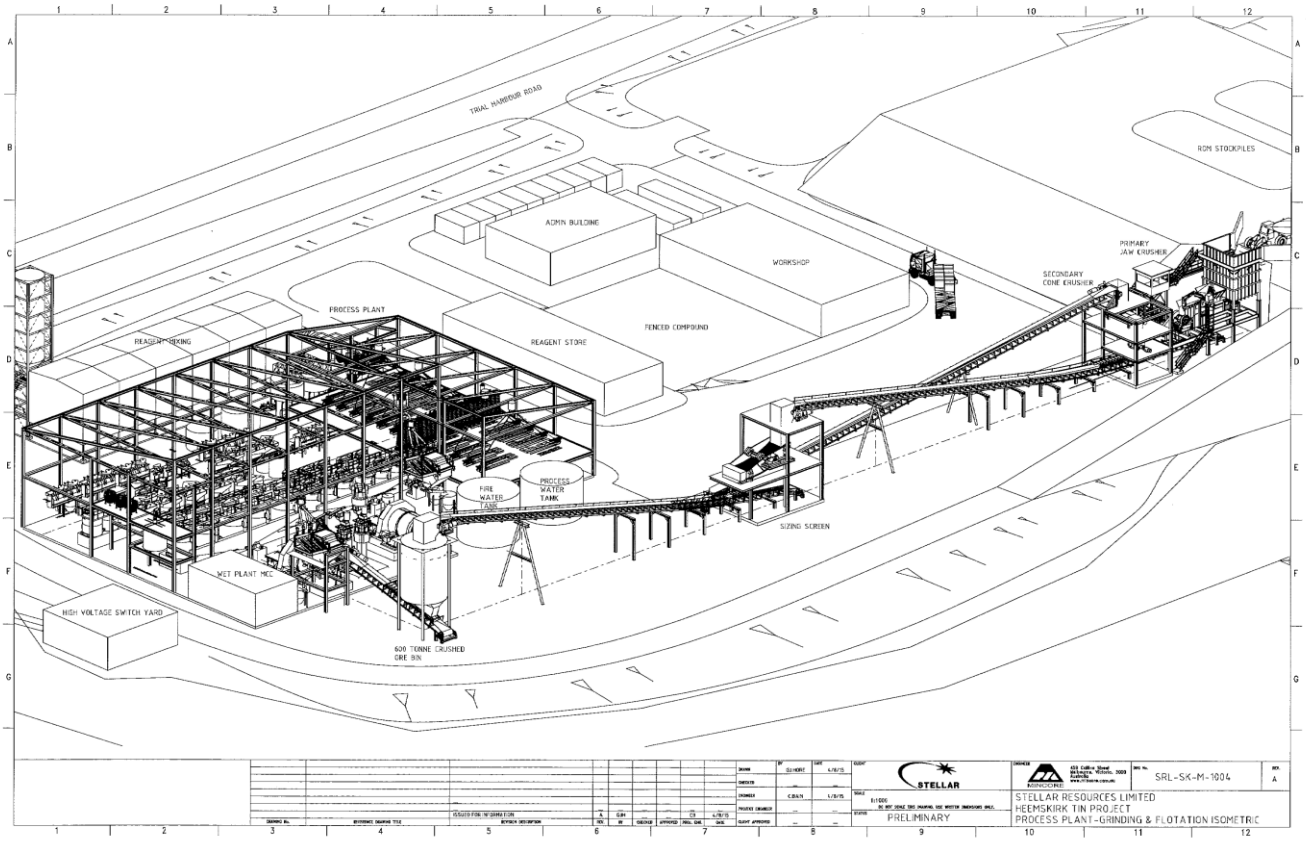
Concentrator

The processing plant plan was developed on the basis that operations will be managed by Stellar's supervisory personnel.

It is proposed that the plant will be built on the northwest side of Queen Hill which forms a natural barrier for noise and dust between surface operations and the town of Zeehan (refer Figure 7). The plant is also sited on the southern side of the Trial Harbour road in order to restrict any interaction between vehicles operating on site and traffic on the public road.

The process plant is assumed to operate 24 hours per day, 7 days per week. Tin concentrate will be trucked daily to the port of Burnie for containerisation and exported to smelters in Southeast Asia and China. Consumables for the mine and processing plant will be received in Burnie and trucked to site.

Figure 7: Process plant isometric



Infrastructure

Power is available through the 22kV state grid and can be accessed via a 5km connection to an existing substation. Preliminary discussions with TasNetworks has confirmed the availability of this facility.

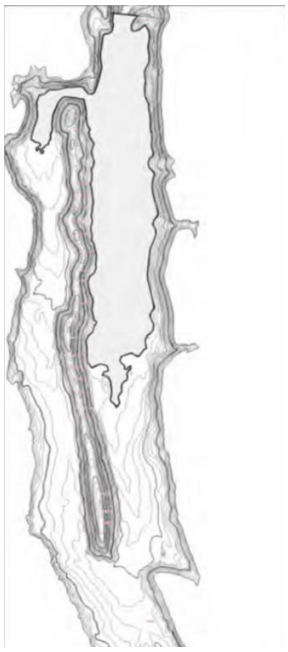
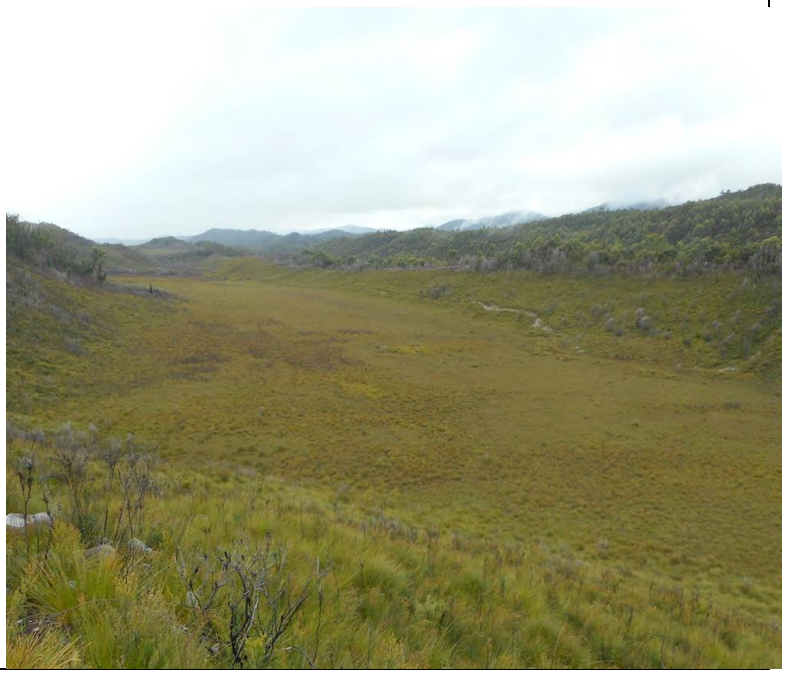
Access to the mine site and processing plant is via an existing bitumen road which also connects the planned operations to Zeehan and Burnie.

Site water can be supplemented with town water supply, currently available on the Retention Licence, when required.

Stellar has selected a preferred tailings dam site that is located 5 km to the east of Zeehan in a concealed valley located on Crown land that has no competing use. The site shown in Figure 8 is secured within Mining Lease 2M/2014.

Apart from the advantages already stated, the site has no observed flora and fauna values, no geological flaws and a capacity for more than 25 years of tailings production or more than 3 times the initial mine life (refer Figure 8)

Figure 8: Tailings dam site in plan and oblique view

Plan view showing limited earthwork requirement and substantial unused capacity following initial mine life	Oblique view looking north along the valley selected for tailings storage. The narrow entrance at the northern end of the valley represents an ideal site for low-cost containment.
	

Environment & Community

Stellar has lodged a Notice of Intent ("NOI") with the Tasmanian Environmental Protection Authority ("EPA") for development of the Heemskirk tin project. In return, the EPA has issued guidelines for the preparation of a Development Proposal and Environmental Management Plan ("DPEMP").

The guidelines identified no new potential environmental impacts beyond those already identified in the studies to date and outlined in the NOI. The project will not involve any long-term disposal of acid generating waste rock on the surface, a matter which is a major concern for Government Departments due to management issues. Similarly, sulphide tailings will be separately managed from other tailings and deposited under a permanent water cover.

Studies have commenced on measurement of surface water quality and flow rates. Flora and fauna surveys will have also commenced and should identify no significant natural values. The full DPEMP program, including some additional surveys for archaeology, aboriginal heritage, noise, dust, vibration, groundwater, waste characterisation, traffic and community will take 12 months to complete.

Stellar has conducted site visits for the West Coast Council, EPA and Mineral Resources Tasmania. The Company also maintains a good working relationship with the Zeehan community and in particular those people directly affected by its activities. Broader community consultation is planned in conjunction with DPEMP survey work.

Stellar has received public support for the Project from both Local Government and State Government Authorities. Non-government organisations have identified the project as one to which they have no objections, as it is located in a heavily disturbed area with a long mining history and legacy acid mine drainage issues.

COST ESTIMATES

Stellar has updated PFS pre-production and operating cost estimates to reflect optimisation outcomes and where available mid-2015 input prices. Various consultants (refer Table 5) have assisted with this undertaking and the estimates should be regarded with an accuracy of +/-25%.

Capital

Pre-production capital estimates assume a 6.5% decline in mine development cost largely due to a reduction in development time from 17 to 12 months. The main increase in cost relates to replacement of a cement plant with a refurbished paste plant (refer Table 7). The 14.7% decline in process plant cost reflects the removal of two unit processes, lower prices for some equipment, reduced steel work following a re-configuration of the flotation circuits and a reduction in engineering and electrical costs. The estimate was prepared using an engineer, procurement and construct ("EPC") approach. In addition, the preferred tailings dam site required considerably less earth work than the alternative considered for the PFS and includes a 6 km tailings pipeline with water return.

Table 7: Pre-production capital expenditure

Activity	PFS 2013 A$m	Optimised 2015 A$m	Change %	Reason for Change
Establishment	0.9	1.0	8.7	Contractor quote versus estimate
Development	16.0	13.3	-17.2	12 month versus 17 month development
CAF replaced by Paste	3.1	5.1	64.5	Paste allows transverse open stoping
Mine Services & Labour	11.0	11.4	3.6	Contractor quote versus estimate
Pre-production	6.9	4.7	-31.9	Shorter development period
Mine	**37.9**	**35.5**	-6.5	
Process Plant	75.5	64.4	-14.7	Simplified flow-sheet lower prices
TSF	7.2	4.8	-33.3	Staged development
Owner Costs	1.5	1.9	26.7	Increased supervision
Contingencies	4.5	3.7	-17.8	Faster build
Plant & Infrastructure	**88.7**	**74.8**	**-15.7**	
Total Capital	**126.6**	**110.3**	**-12.9**	

Cash operating (C1)

Table 8 compares optimised cash operating costs (C1) with 2013 estimates from the PFS and shows a 5% decline in optimised unit cost to A$14,927/t tin due to higher tin recovery. Figure 9 contains more detail for the optimised case, with mining and processing cost broken down by activity or input.

Optimised mining costs are based on an indicative schedule of rates provided by an underground mining contractor. They also incorporate paste fill as a replacement for cemented aggregate fill giving rise to most of the 11.6% decline in operating cost to A$9,552/t of tin.

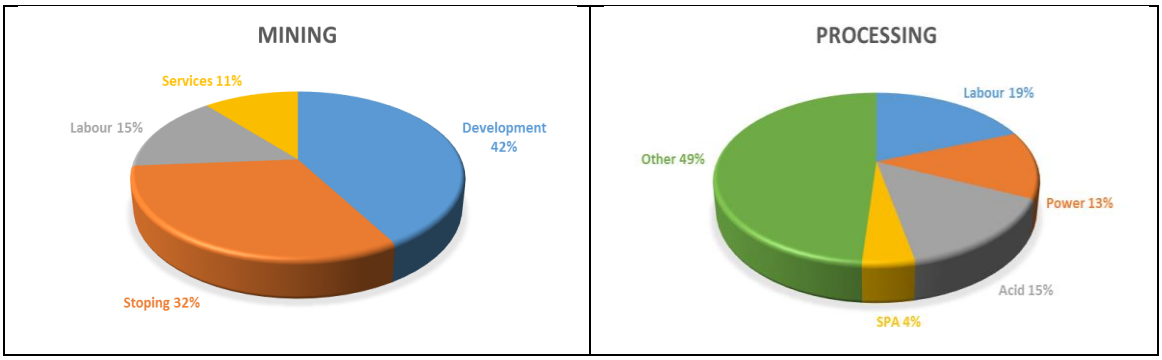
Optimised processing costs increased by 10.5% to A$5,152/t of tin due to higher consumption rates than previously estimated for power and some reagents and increases in power and acid prices from those prevailing in 2013 and used in the PFS.

In A$/t ore terms per tonne of ore, the higher processing cost all but off-set the mining cost reduction.

Table 8: Mine gate cash operating costs (C1)

Activity		PFS 2013 A$/t ore	Opt 2015 A$/t ore	Change %	PFS 2013 A$/t Sn	Opt 2015 A$/t Sn	Change %
Mining	Operating	66	60	-8.7	8,927	7,793	-12.7
	Sustaining	14	14	-2.3	1,883	1,759	-6.6
	Subtotal	80	74	-7.5	10,810	9,552	-11.6
Processing	Operating	33	38	14.1	4,474	4,880	9.1
	Sustaining	1	2	51.1	188	272	44.7
	Subtotal	34	40	15.6	4,662	5,152	10.5
Administration		2	2	0	233	223	-4.3
Total C1 Cash Cost		116	115	-0.6	15,705	14,927	-5.0

Figure 9: Mine gate cash operating cost by activity/input



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MINERAL RESOURCE STATEMENTS

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**

1. Block cut-off grade of 0.6% tin
2. Tonnes rounded to reflect uncertainty of estimate
3. Estimates prepared by Resource and Exploration Geology

Classification	Deposit	Tonnes millions	Grade % tin	Grade % iron	Contained Tin tonnes
Indicated	St Dizier	1.20	0.69	23.70	8,280
Inferred	St Dizier	1.06	0.52	22.22	5,512
Total		**2.26**	**0.61**	**23.00**	**13,792**

1. Block cut-off grade of 0.3% Sn
2. Tonnes rounded to reflect uncertainty of estimate
3. Estimates prepared by Resource and Exploration Geology

Competent Person Statement

The information in this report that relates to Exploration Results is compiled by Mr R K Hazeldene who is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists and 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 in this report.

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.

Stellar Resources confirms that it is not aware of any new information or data that materially affects the information included in the Mineral Resource estimates reported on 24th July 2013 and 12 March 2014, Stellar confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. In addition, Stellar Resources confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.

Forward Looking Statements

This report contains a number of forward looking statements with respect to the company's plans for mineral development. Known and unknown risks and uncertainties and factors outside of the company's control may cause the actual results, performance and achievements of the company to differ materially from those expressed or implied in this report. To the maximum extent permitted by law and stock exchange rules, the company does not warrant the accuracy, currency or completeness of the information in this report, nor the future performance of the company and will not be responsible for any loss or damage arising from use of the information.

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