Heemskirk Tin Project
Highest grade undeveloped ASX-listed tin project

ITRI International Tin Conference Peru
April 2016

ASX: SRZ
www.stellarresources.com.au
Agenda

- Overview of Heemskirk Tin
- Record of achievement over the last 12 months
- Optimisation - increased NPV by 62% to A$99m
- What are we doing now?
- Concluding remarks
Corporate overview

100% owner of the highest grade undeveloped ASX-listed tin project

Company overview

- 100% owner of Heemskirk Tin Project, 150km south of Burnie, Tasmania
- Stand-out high grade resource (1.1% Sn) with vision to be a major Australian tin producer
- Metallurgical optimisation increased recovery by 4.5% to 72.8%
- Optimisation of 2013 PFS increased NPV by 62% to A$99.0m

Financial information

<table>
<thead>
<tr>
<th>Financial Information</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share price (18-Mar-16)</td>
<td>A$0.020</td>
</tr>
<tr>
<td>Number of shares</td>
<td>300.2m</td>
</tr>
<tr>
<td>Market capitalisation</td>
<td>A$6.0m</td>
</tr>
<tr>
<td>Cash (30-Dec-15)</td>
<td>A$1.9m</td>
</tr>
<tr>
<td>Debt (30-Dec-15)</td>
<td>No debt</td>
</tr>
<tr>
<td>Enterprise value</td>
<td>A$4.1m</td>
</tr>
<tr>
<td>42.5m unlisted options (exercise prices A$0.06 to A$0.12, expiring 26-Feb-17 to 20-Nov-19)</td>
<td></td>
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Strong institutional ownership

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Ownership</th>
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<tbody>
<tr>
<td>Capetown S.A.</td>
<td>20.8%</td>
</tr>
<tr>
<td>Bunnenberg Family</td>
<td>14.9%</td>
</tr>
<tr>
<td>Resource Capital Funds</td>
<td>12.0%</td>
</tr>
<tr>
<td>Directors &amp; Management</td>
<td>4.2%</td>
</tr>
<tr>
<td>Top 20 Shareholders</td>
<td>70.2%</td>
</tr>
</tbody>
</table>
Favourable project location

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 other mines in the region winding down
- 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
  - Issues faced by others in the region unlikely to be encountered
## Record of achievement in updates

Operational achievements in 2015 have set the platform for a definitive feasibility study in 2016

<table>
<thead>
<tr>
<th>Month</th>
<th>Achievements</th>
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<tbody>
<tr>
<td>February 2015</td>
<td>- Environmental Protection Authority guidelines received&lt;br&gt;</td>
</tr>
<tr>
<td></td>
<td>- Exploration licence granted to the south of Heemskirk</td>
</tr>
<tr>
<td>March 2015</td>
<td>- Metallurgy optimisation upgrades PFS metrics&lt;br&gt;</td>
</tr>
<tr>
<td></td>
<td>- Severn tin recovery increased by 7.4% and average tin recovery increased by 4.5%</td>
</tr>
<tr>
<td></td>
<td>- Annual tin in concentrate production increased by 4.5%</td>
</tr>
<tr>
<td>July 2015</td>
<td>- Geological review flags new northwest trending structures and high grade tin infill zones presenting un-tapped upside to the Heemskirk resource&lt;br&gt;</td>
</tr>
<tr>
<td></td>
<td>- St Dizier scoping study completed - potential for development as a source of blending ore&lt;br&gt;</td>
</tr>
<tr>
<td></td>
<td>- Tailings storage site secured – low capital cost, life of mine facility</td>
</tr>
<tr>
<td>September 2015</td>
<td>- Optimisation increased PFS NPV by 62% to A$99.0m - through +A$18m recovery increase, +A$16m reduction in pre-production capital and +$4m from accelerated mine development</td>
</tr>
</tbody>
</table>
Simplified plant design

Metallurgical optimisation led to smaller primary grind and elimination of heavy media separation and silica float circuits saving A$5m from capex
St Dizier scoping study completed

Low cost open pit (capital and operating) - source of blending ore for processing in the Heemskirk plant

- Low capital development cost of A$3.8m
- Mining inventory of 424,000 tonnes @ 0.86% tin
- Initial mine life of 30 months
  - Annual ore production of 150kt @ 1.03% tin
  - Annual tin in concentrate production of 700 tonnes
- Low operating cost
  - Delivered cost of ore to the processing plant is A$23/t
Quality tailings dam site secured

Tailings dam site in plan and oblique view

Capacity 3x initial mine life

Low capital containment
- Initial cost A$1.4m wall plus A$3.4m pipeline
- No observed geological flaws

Concealed valley
- Crown land
- No competing land use
- No observed flora or fauna values
Optimisation increased NPV by 62%

The 2013 PFS NPV has increased by A$38m to A$99m following an optimisation program that increased recovery and lowered capital cost.

Recovery increase to 72.5% added $18m to NPV.

Lower mining cost offset by higher processing cost:
- Paste fill reduced mining cost by A$4/t
- Processing cost rose by A$4/t

Capex reduction added A$16m to NPV:
- 85% of capex reduction due to process plant modifications

Accelerated development added A$4m to NPV:
- Orebody access reduced from 17 to 12 months

For personal use only
Capital cost lowered to A$110.3m

Pre-production capital cost reduced by 12.9% or A$16.3m

- 85% of the capital reduction from processing plant and surface infrastructure
  - Plant simplification, lower procurement costs, design improvements
  - Lower cost tailings dam site secured

- 15% from faster mine development
  - Contract miners achieving in excess of 200m/month in single heading development
  - Mine development reduced from 17 months to 12 months at 180m/month

- 32% capital cost reduction in US$ terms at the spot exchange rate

For personal use only
Operating cost reduced by 8.2%

Total operating cost (C3) reduced to A$21,355/t or US$14,949/t at spot A$

- Heemskirk is cash positive (based on C2 costs) at bottom-of-the-cycle tin price
- Moderate 5% reduction in C1 mine-gate cash cost
  - 4.5% increase in recovery accounts for all of the reduction C1 unit cost
  - Mining cost reduced by changing to paste-fill from cemented aggregate fill
  - Processing cost increased due to higher reagent use and higher input prices
- Lower pre-production capital cost reduced the D&A expense

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

At 0.70USD/AUD the Heemskirk project has moved down the international tin industry cost curve towards the 40th percentile position.
Substantial leverage to tin price

Significant upside for the Heemskirk NPV as the spot tin price increases over the next 3 years (production expected 2018)

[Graph showing NPV increase with tin price, production costs, and exchange rate improvements.]
What are we doing now?

Fast Start Scoping Study based on the Lower Queen Hill Indicated Resource

<table>
<thead>
<tr>
<th>Queen Hill</th>
<th>Tonnes millions</th>
<th>Sn %</th>
<th>Contained Sn tonnes</th>
<th>Cu %</th>
<th>Pb %</th>
<th>Zn %</th>
<th>Ag ppm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper (above 1100m RL)</td>
<td>0.51</td>
<td>1.19</td>
<td>6,056</td>
<td>0.10</td>
<td>1.20</td>
<td>0.77</td>
<td>46</td>
</tr>
<tr>
<td>Lower (below 1100m RL)</td>
<td>1.09</td>
<td>1.36</td>
<td>14,824</td>
<td>0.03</td>
<td>0.16</td>
<td>0.17</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total Queen Hill</strong></td>
<td><strong>1.60</strong></td>
<td><strong>1.31</strong></td>
<td><strong>20,880</strong></td>
<td><strong>0.06</strong></td>
<td><strong>0.50</strong></td>
<td><strong>0.36</strong></td>
<td><strong>19</strong></td>
</tr>
</tbody>
</table>

Indicated
- 1.41	1.26	17,790

Inferred
- 0.19	1.63	3,090

Total Queen Hill
- 1.60	1.31	20,880

1. estimates prepared in accordance with 2004 edition of JORC Code
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
Why Lower Queen Hill?

- **Closest deposit to the surface** – first ore access within 6 months – better chance of catching the tin price up-swing
- **Already drilled to Indicated status** – little additional drilling to define an ore reserve
- **Much lower mine capex** – only essential capital to access the deposit rather than full mine development
- **Higher grade than resource average** – improves operating cost in early years
- **Smaller scale** – significant reduction in up-front plant capital with opportunity to expand later
Fast start is an opportunity to explore

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

- Stellar is in a sound position with a high quality tin asset
- Significant progress over the last 12 months - project momentum maintained despite difficult market conditions
- NPV increased by 62% to A$99m – through a number of positive outcomes from the optimisation program
- Scoping of a Fast Start Option underway – study advisers appointed
- Considerable valuation upside on a rising tin price
Appendix

Heemskirk PFS mine plan

Board of Directors
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

Peter Blight
Managing Director
Geologist
- 30 years experience in exploration, mining and finance sectors
- Previously worked for UBS, UC Rusal and Rio Tinto

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

Thomas Whiting
Non-Executive Director
Geophysicist
- Former manager of BHP Billiton exploration
- Chairman of Deep Exploration Technologies Cooperative Research Centre

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
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Competent Persons Statement – Heemskirk and St Dizier Mineral Resources
The information in this report that relates to Heemskirk Tin Mineral Resources was last reported on 24th July 2013 in an ASX release titled “Pre-feasibility Study Advances Heemskirk Tin”. The information was prepared in accordance with the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ by Tim Callaghan of Resource and Exploration Geology. The information in this report that relates to the St Dizier Mineral Resource was announced on 12 March 2014 in an ASX release titled “Heemskirk Tin Project: New Open Pittable Resource at St Dizier”. The information was prepared in accordance with the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (JORC Code) by Tim Callaghan of Resource and Exploration Geology. Tim Callaghan is a Member of The Australasian Institute of Mining and Metallurgy (“AusIMM”), has a minimum of five years experience in the estimation and assessment and evaluation of Mineral Resources of this style and is the Competent Person as defined in the JORC Code. This report accurately summarises and fairly reports his estimations and he has consented to the resource report in the form and context in which it appears.

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