



Heemskirk Tin Project

Highest grade undeveloped ASX-listed tin project

August 2016 Update

ASX: SRZ

www.stellarresources.com.au

Agenda



- Improving tin and small cap resource equity markets**
- Advantages and achievements at Heemskirk Tin**
- Technical and financial advances in an Optimised PFS**
- Why consider a faster start?**
- Five reasons to own Stellar**

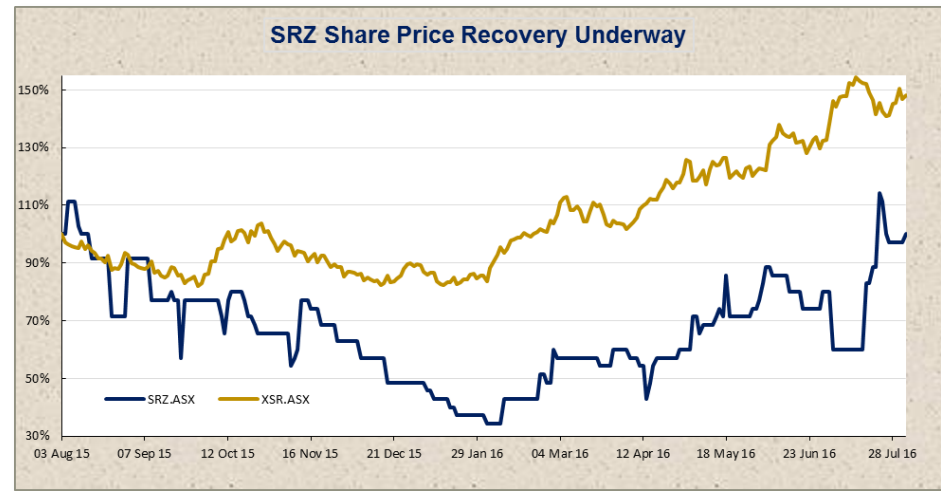
Corporate overview



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 (1.14% Sn) with vision to be a major Australian tin producer
- Metallurgical optimisation added A\$18m to valuation
- Fast start lowered capex by 57% and reduced time to first production by 33% to 24 months



Financial information

Share price (10-Aug-16)	A\$0.035
Number of shares	300.2m
Market capitalisation	A\$10.5m
Cash (30-Jun-16)	A\$1.6m
Debt (30-Jun-16)	No debt
Enterprise value	A\$8.9m
<i>42.5m unlisted options (exercise prices A\$0.06 to A\$0.12, expiring 26-Feb-17 to 20-Nov-19)</i>	

Ownership reflects strong tin investor support

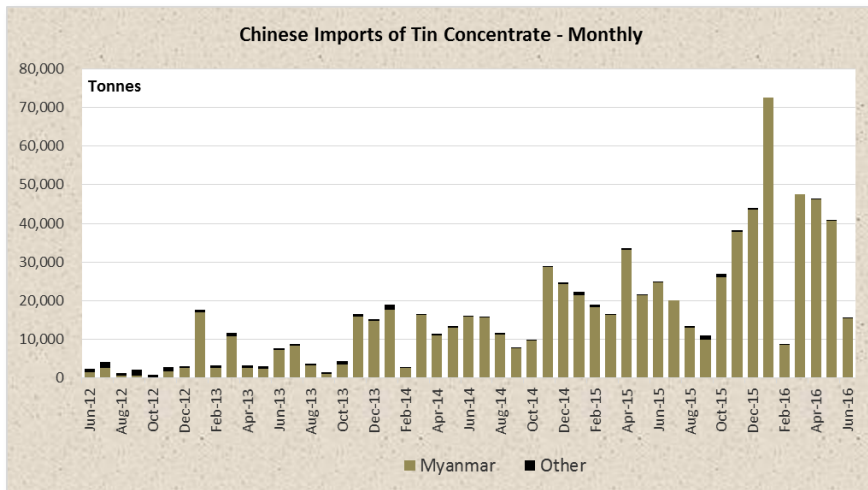
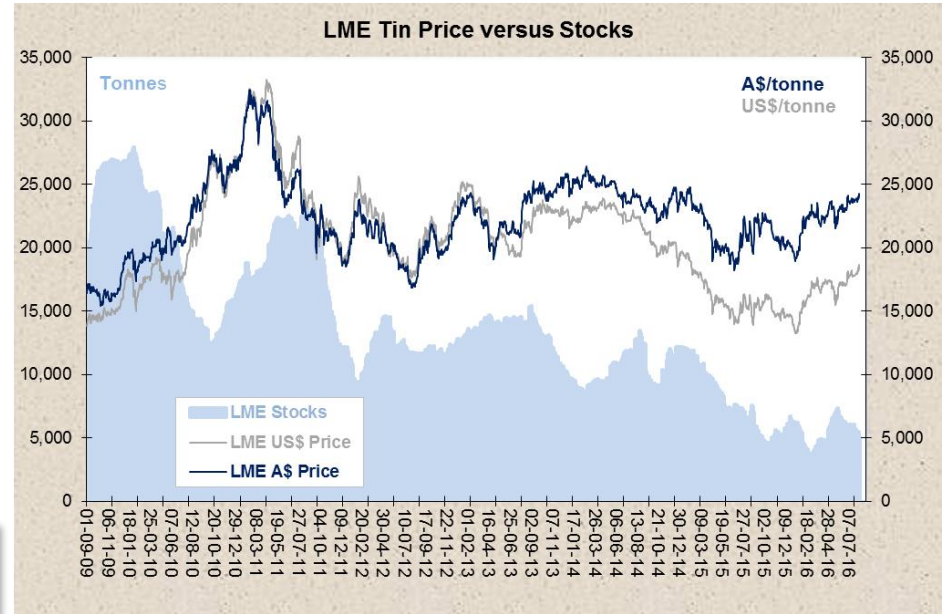
Capetown S.A.	20.8%
Bunnenberg Family	14.9%
Resource Capital Funds	12.0%
Directors & Management	4.2%
Top 20 Shareholders	70.2%

Tin price has bottomed

LME tin price is up 38% from its mid-January 2016 low

Supply rationalisation underpinning price

- China announced 17% reduction in tin smelter production in January 2016
- Indonesian tin exports down for the 4th consecutive year due to tighter licence conditions
- Myanmar exports down by 37% in June 2016 compared with June 2015 and 62% month on month
- No significant investment in new mine production



New uses to drive demand growth

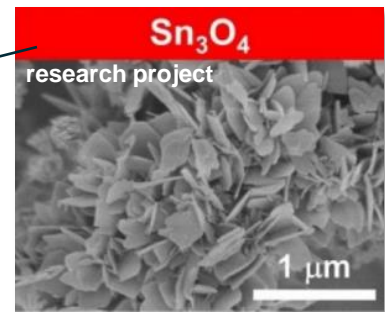
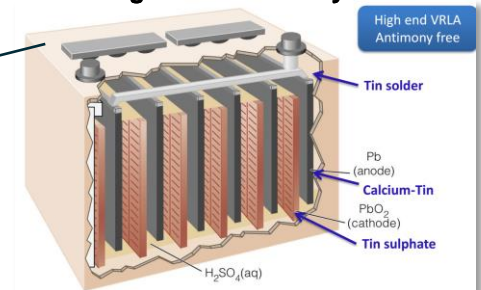
- Lead acid moped batteries a significant new use in China
- Chemical uses of tin growing above trend
- Solder thrifting has now diminished in largest end-use
- New energy capture and storage technologies the game changer for tin?

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

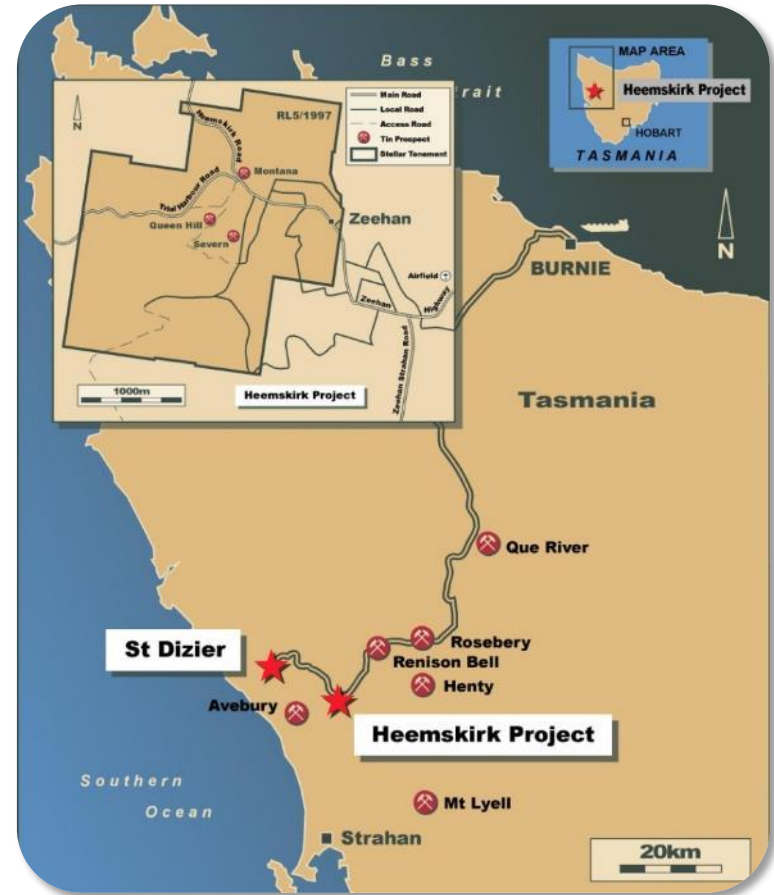
Storage	
Lead-acid	Calcium tin grids, tin sulphate electrolyte
Lithium ion	Tin nanoneedles, Silicon + tin anodes, tin electrolyte
Magnesium ion	Antimony or bismuth tin alloy anodes
Sodium ion	Tin sulphide / carbon anodes
Supercapacitors	Manganese + iron tin oxide anodes
Aluminium Air	Tin alloy addition, 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



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



Solid record of achievement



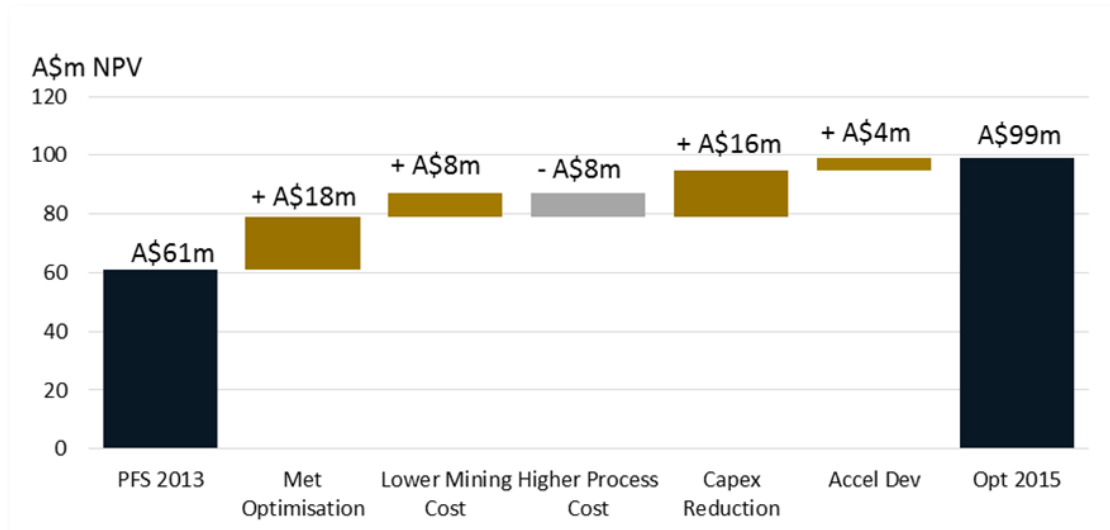
Operational achievements in 2015 continuing in 2016

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- February 2015**
- **Environmental Protection Authority guidelines received**
 - Exploration licence granted to the south of Heemskirk
-
- March 2015**
- Metallurgy optimisation upgrades PFS metrics
 - **Severn tin recovery increased by 7.4% and average tin recovery increased by 4.5%**
 - **Annual tin in concentrate production 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 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
-
- July 2016**
- **Application to convert Retention Licence into a Mining Lease** – will increase tenure and add certainty to project
-
- July 2016**
- **Fast start study** - shows path to quicker ore access at lower capital cost
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OPFS adds 62% to NPV

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

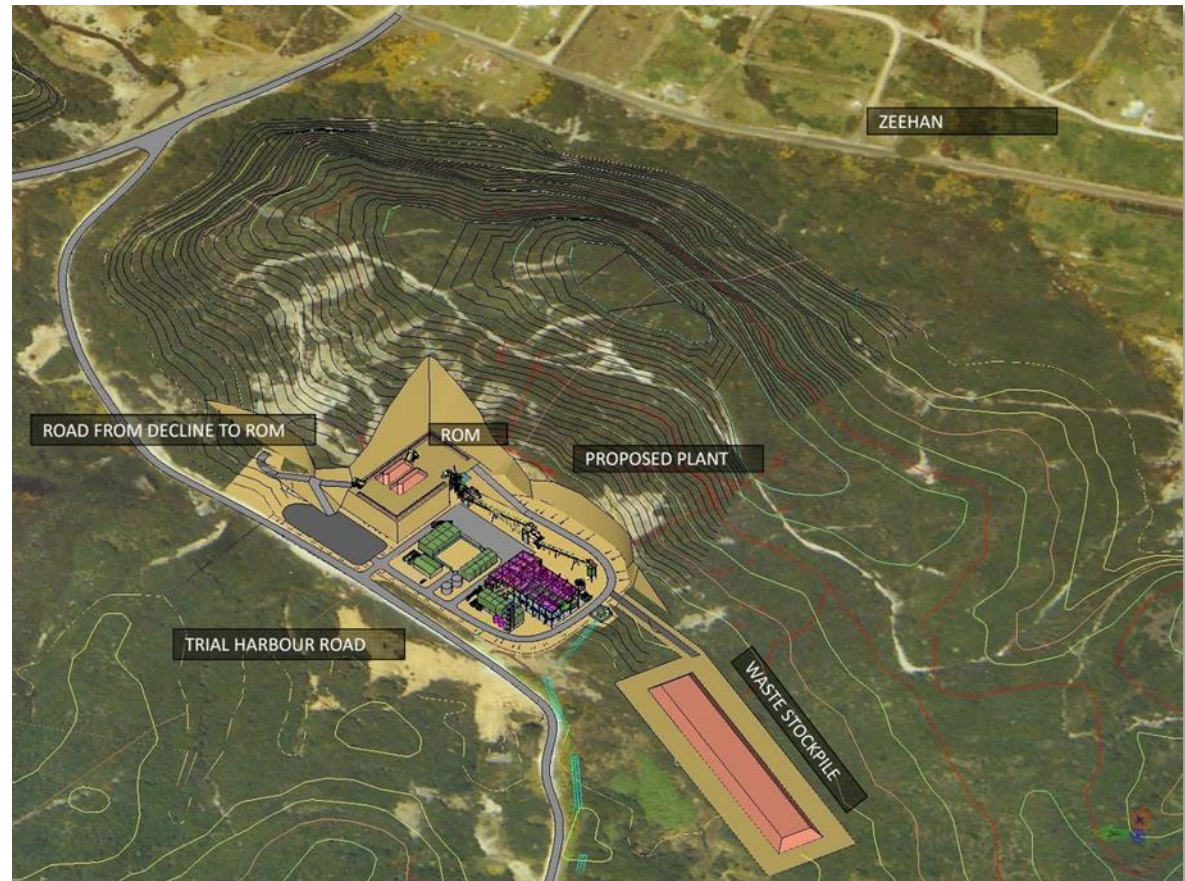
- ✓ **Recovery increase to 72.5% added \$18m to NPV**
- ✓ **Lower mining cost offset by higher processing cost**
 - Paste fill reduced mining cost by A\$4/t
 - Processing cost rose by A\$4/t
- ✓ **Capex reduction added A\$16m to NPV**
 - 85% of capex reduction due to process plant modifications
- ✓ **Accelerated development added A\$4m to NPV**
 - Orebody access reduced from 17 to 12 months



OPFS - 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

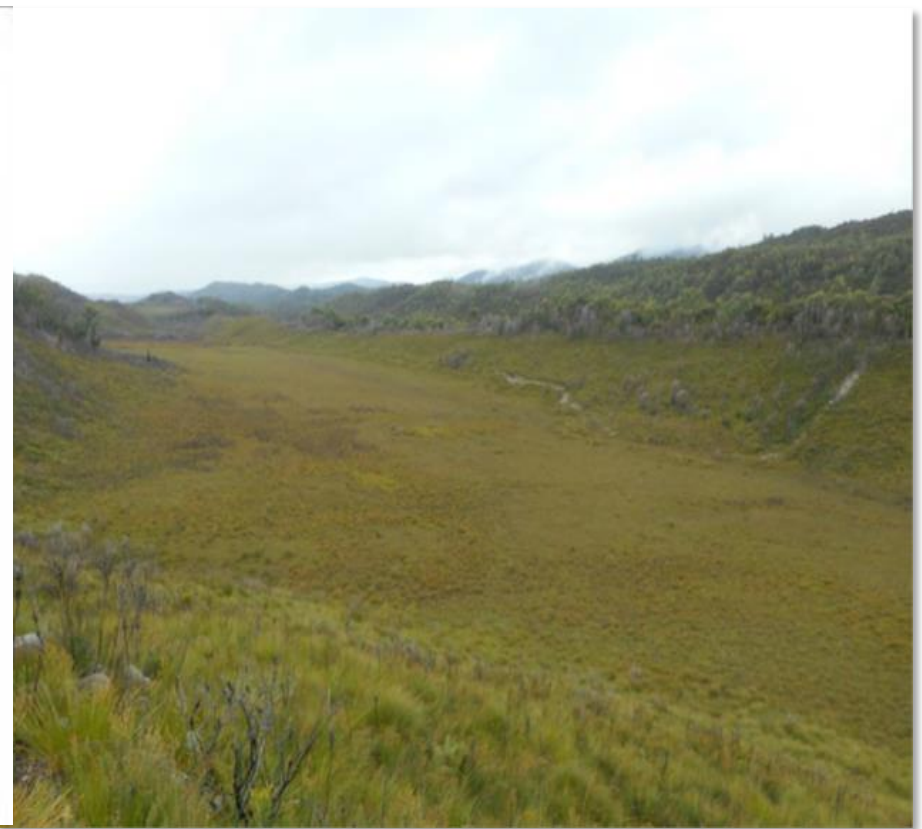
- ✓ **Removed heavy media separation**
- ✓ **Coarser grind size**
 - Increased to 250 μ from 160 μ
 - Improved recovery from gravity circuit to 69%
- ✓ **Optimised sulphide regrind and float**
 - Reduced tin loss from 10% to <3%
- ✓ **Removed silica float**
- ✓ **Increased slimes cut-off**
- ✓ **Optimised tin float circuit**
- ✓ **Optimised finishing circuit**



OPFS quality tailings dam site secured

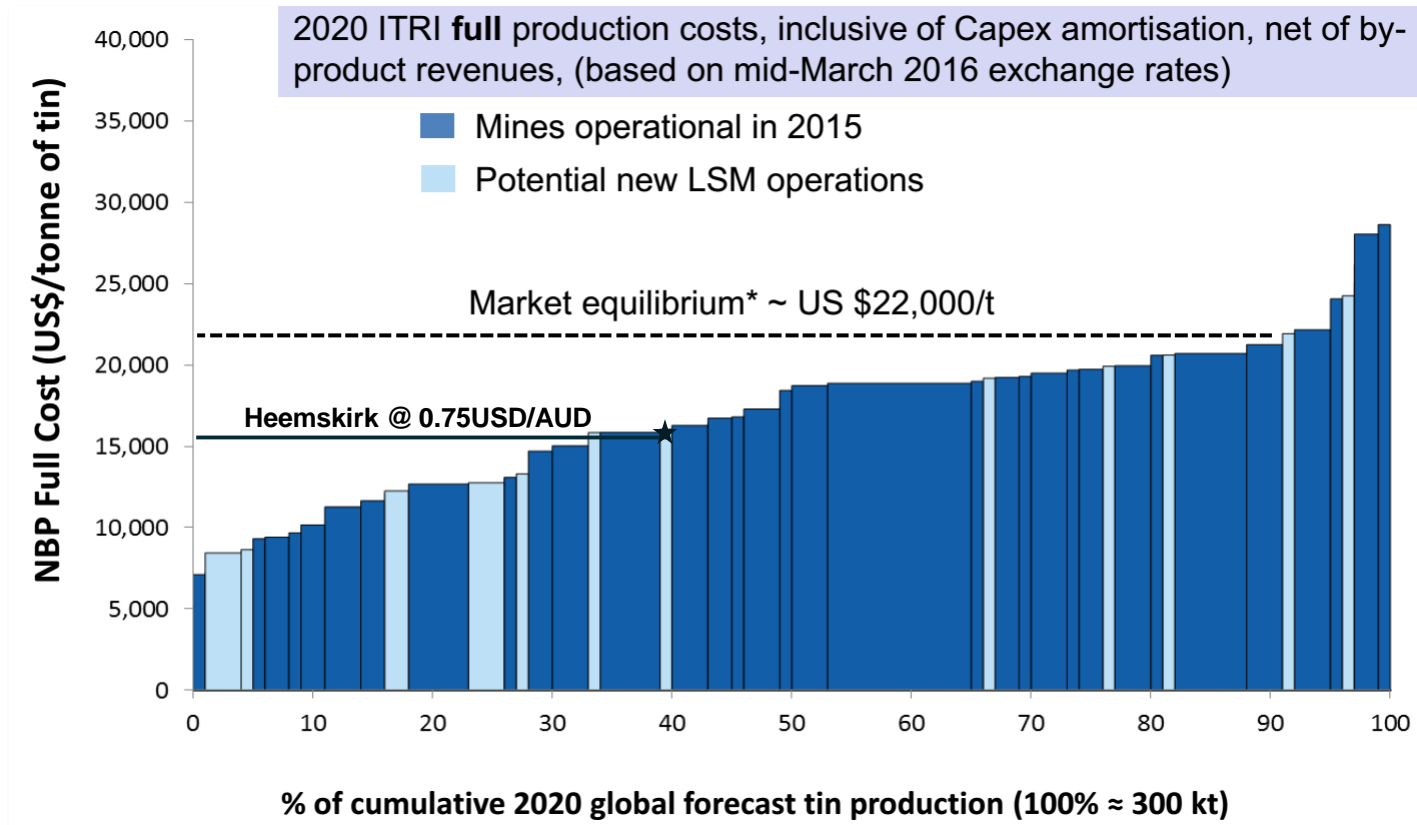
Tailings dam site in plan and oblique view

- ✓ 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
- ✓ Site secured by a mining lease



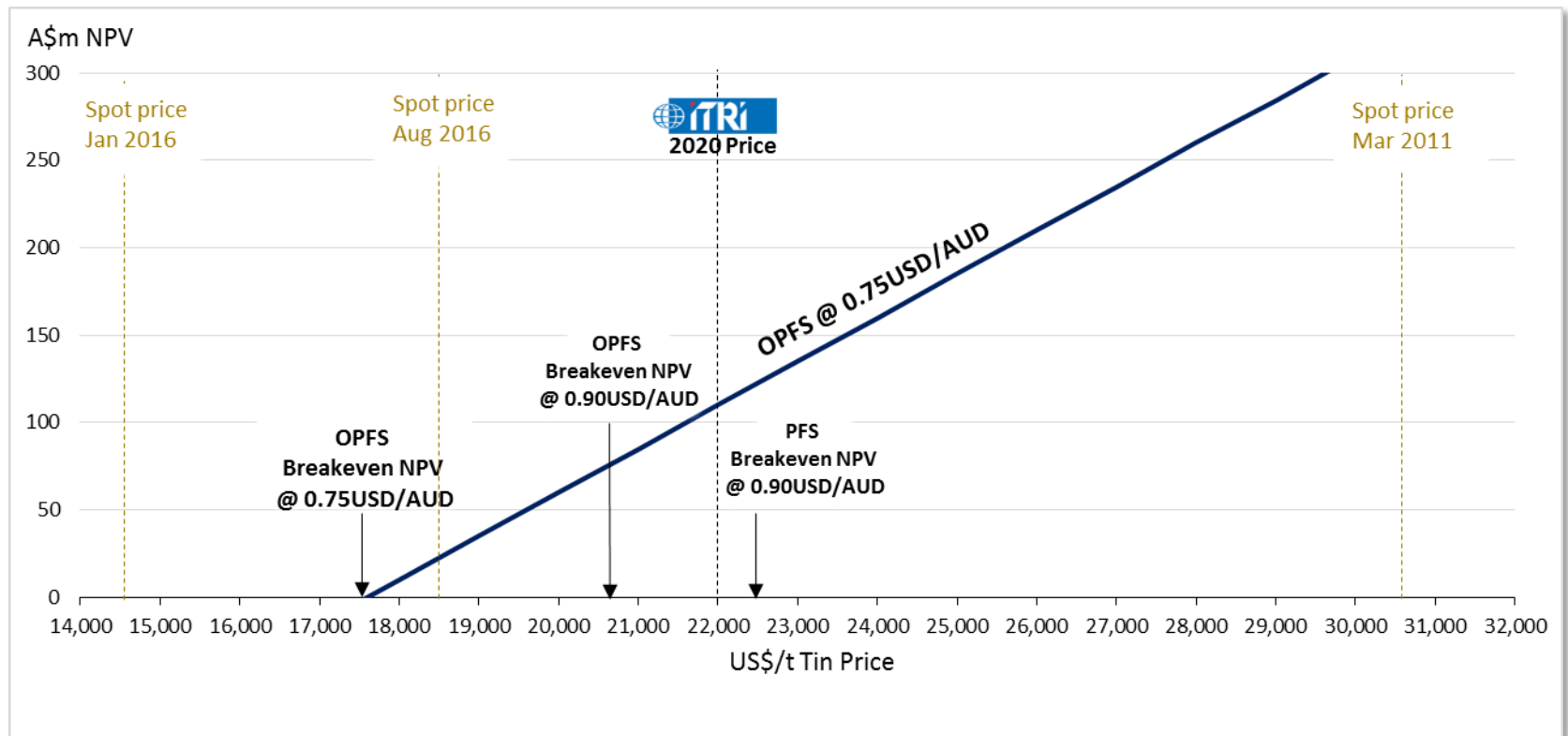
Competitive cost structure

At 0.75USD/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

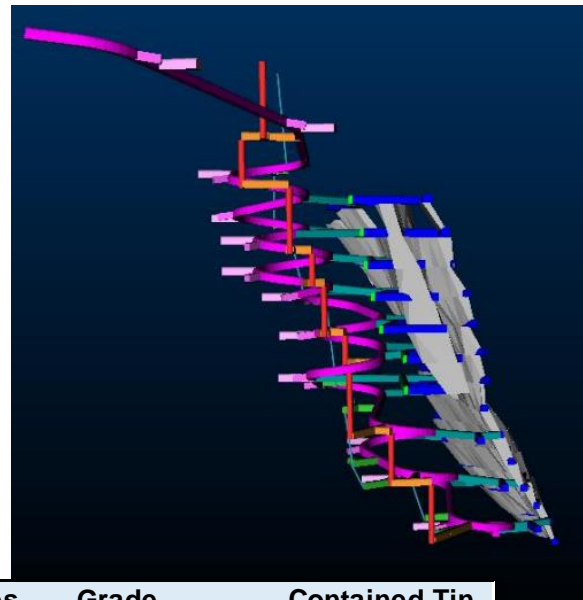
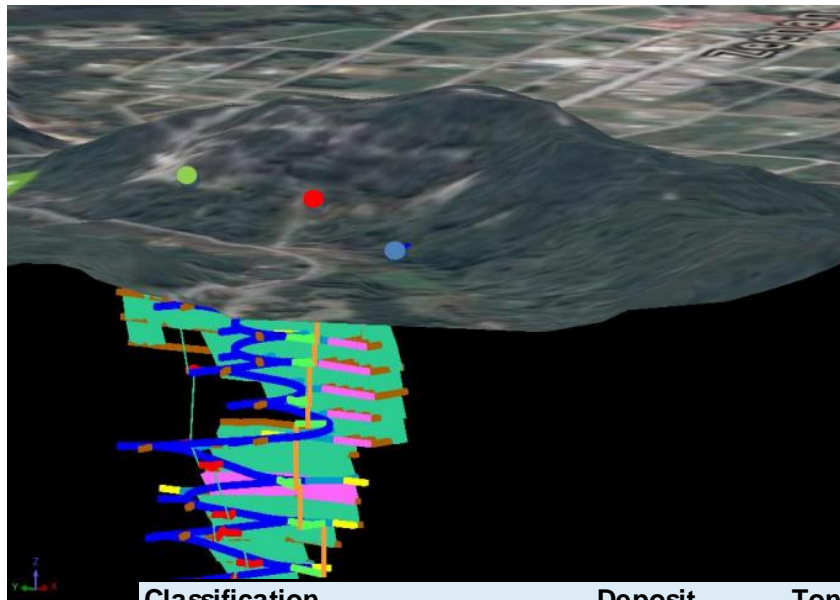


Why consider a faster start?

- ✓ **Need to reduce the pre-production capital hurdle** – equity finance is difficult to secure and still too expensive
- ✓ **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

Lower Queen Hill supports FSS

LQH is closest Heemskirk tin deposit to the portal, is high grade, already drilled to Indicated Resource status and lowest cost deposit to develop



Classification	Deposit	Tonnes millions	Grade % tin	Contained Tin tonnes
Indicated	Queen Hill	1.41	1.26	17,790
Inferred	Queen Hill	0.19	1.63	3,090
Total		1.60	1.31	20,880
Indicated	Upper Queen Hill	0.39	1.19	4,640
	Lower Queen Hill	1.02	1.29	13,150
Inferred	Upper Queen Hill	0.01	1.59	160
	Lower Queen Hill	0.18	1.63	2,930
Total		1.60	1.31	20,880

FSS reduces capex to A\$48m

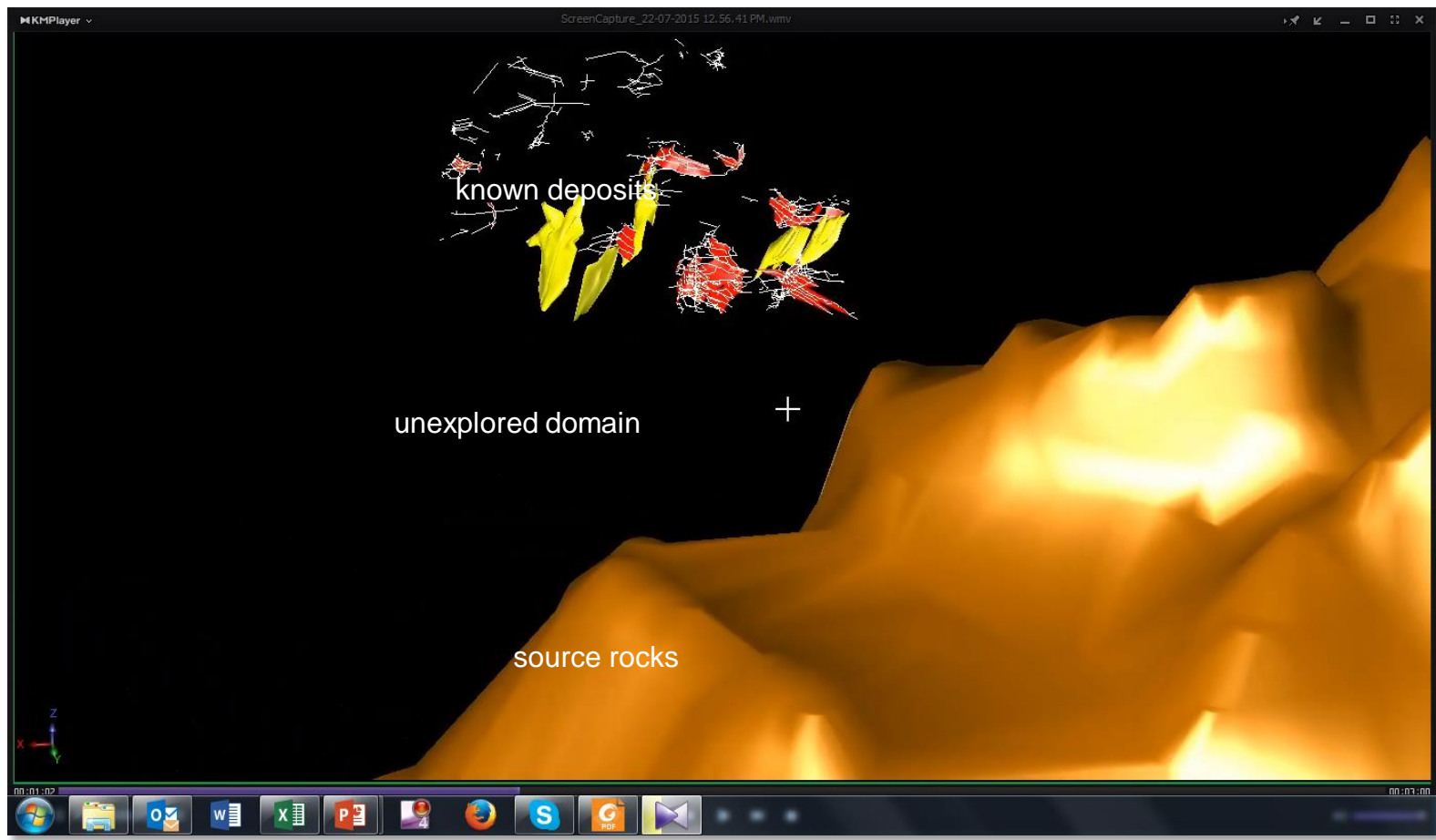
Preproduction capital reduced from A\$110m in OPFS to A\$48m in FSS

- ✓ Downsizing plant to 200ktpa from 600ktpa is the main driver of savings
- ✓ Focus on LQH reduces pre-production mine development by 64%
- ✓ Modular process plant reduces initial capital cost by 61%
- ✓ Smaller tailings facility required for stage 1 production

Capital Item		PFS	OPFS	FSS	FSS Capital Saving %
Treatment Rate	ktpa	600	600	200	-67
Mine development	A\$m	29.0	28.8	10.4	-64
Process plant	A\$m	75.5	64.4	25.3	-61
Tailings facility	A\$m	7.2	4.8	2.8	-42
Working capital	A\$m	10.4	8.6	6.5	-24
Contingency	A\$m	4.5	3.7	2.5	-32
Total	A\$m	126.6	110.3	47.5	-57

Fast start is an opportunity to explore

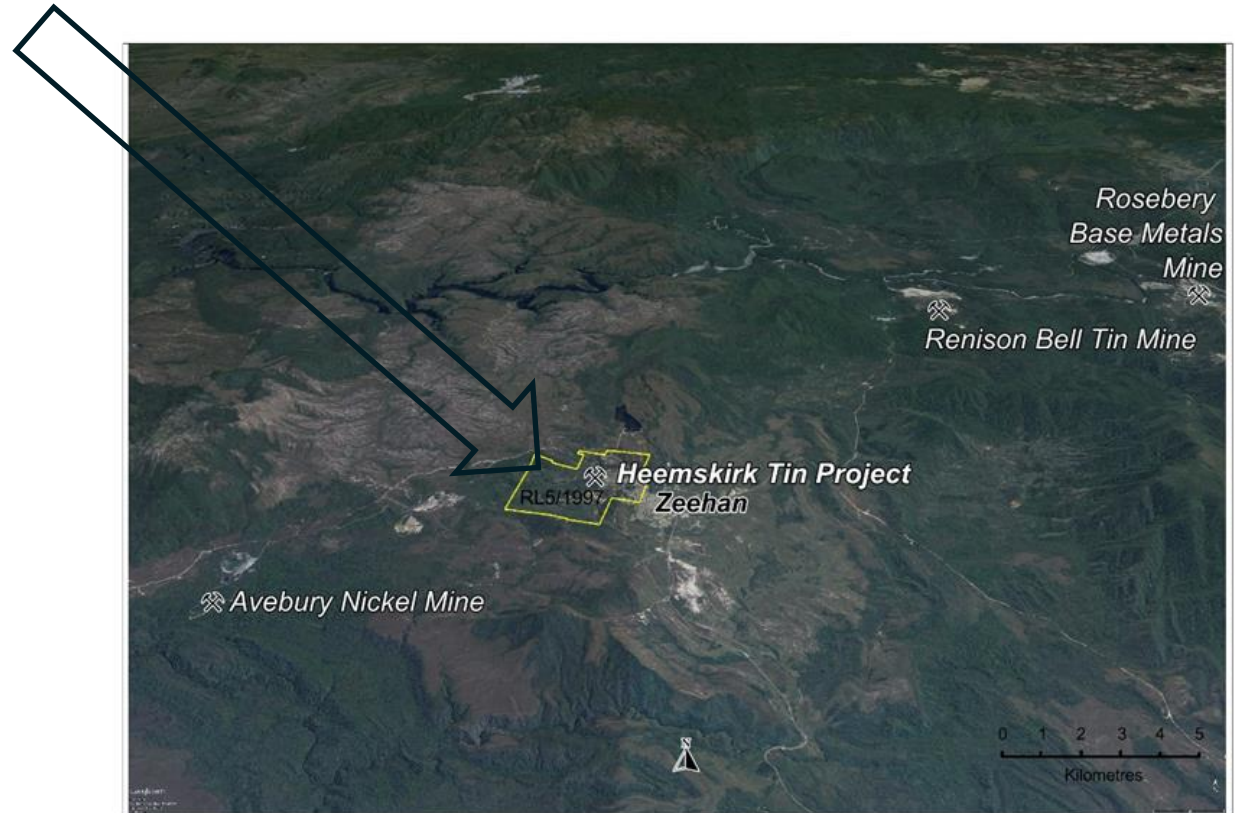
Going underground provides an opportunity to better understand deposit geology and define deeper exploration targets below the known deposits



ML application over tin deposits

RL5/1997 to be replaced by a Mining Lease following positive outcomes on OPFS and FSS

- ✓ Exclusive right to extract economic minerals
- ✓ Increased duration of tenure over tin deposits
- ✓ More secure form of title
- ✓ Board commitment to the project



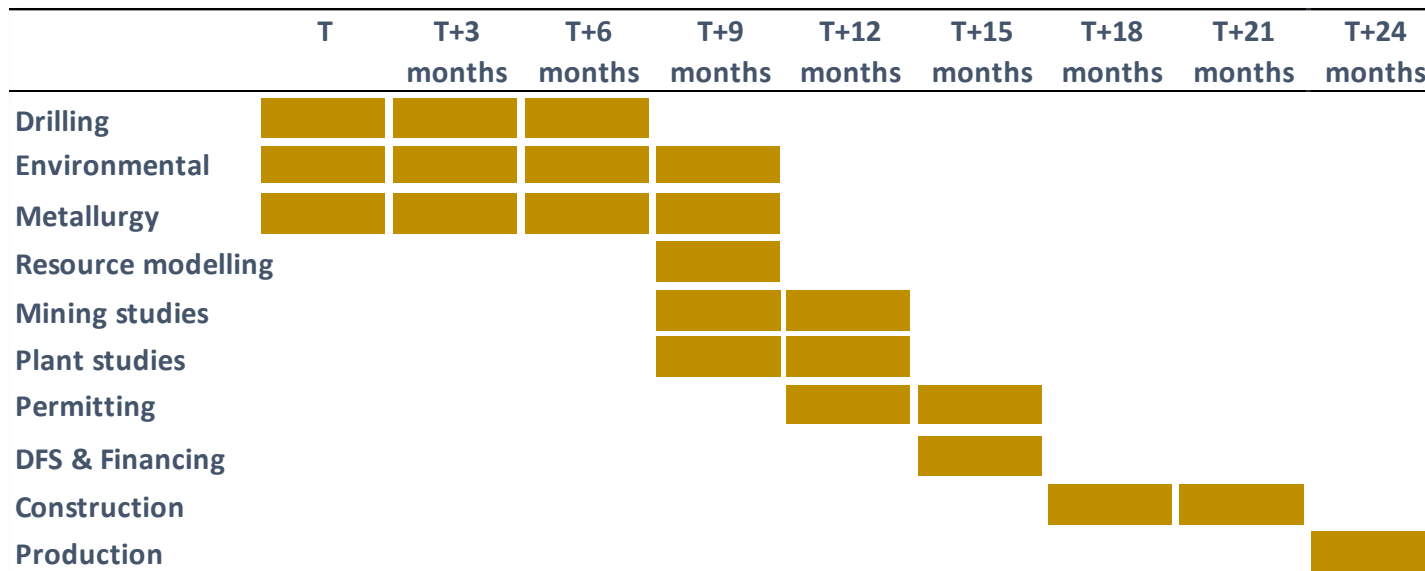
Timeline



Stellar is poised to embark on a DFS for the Heemskirk project

- DFS on FSS to cost A\$5m over 12mths compared with A\$10m over 18mths for OPFS
- Environmental and metallurgy work programs in the planning stage
- Drilling LQH to upgrade resource to an ore reserve determines timing

DFS timeline from commencement



Five reasons to own Stellar

- ✓ **Tin price and share price have bottomed** – price recovery from an over-sold position
- ✓ **Strong record of achievement** - project momentum maintained despite difficult market conditions
- ✓ **Technical improvements demonstrated by OPFS** – increased recovery and reduced capital cost
- ✓ **Fast Start offers quicker, lower risk development** at higher grade and lower capital cost
- ✓ **ML application** – a key milestone in development timeline

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 – 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.

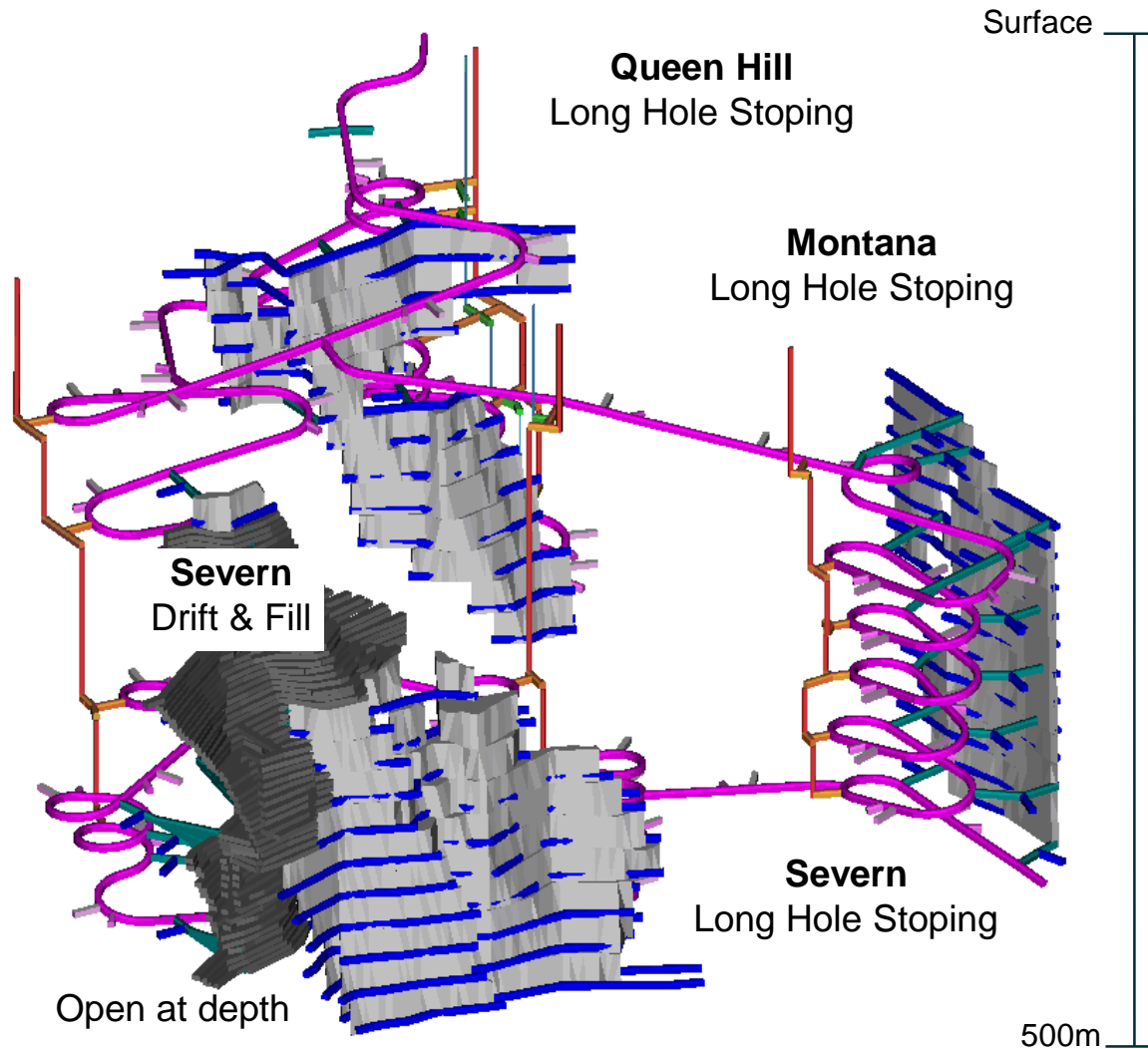
Appendix

Heemskirk PFS mine plan

OPFS and FSS operating costs compared

Board of Directors

Heemskirk 2013 PFS mine plan



Cash operating costs compared

Slight reduction in unit cash cost to A\$14,667/t under FSS

- ✓ Heemskirk is cash positive at recent US\$13,125/t bottom-of-the-cycle tin price
- ✓ **FSS unit mining cost is lower than in previous studies**
 - More efficient mining methods – transverse, long-hole and avoca
 - Reduced fill costs – more rock fill and cemented rock fill
 - Shorter average haulage distance
- ✓ **Higher processing cost reflects fixed labour costs**

Comparative 4 year Average	Unit	PFS	OPFS	FSS	Cost Change %
Operating Unit Cost					
Mining	A\$/t ore	80	75	70	-7
Processing	A\$/t ore	35	40	44	10
TC/RC, transport, royalty	A\$/t ore	23	24	25	3
Administration	A\$/t ore	2	2	3	55
Total cash costs	A\$/t ore	140	141	142	1
Total cash costs	A\$/t tin	15,705	14,927	14,677	-2
Total cash costs @ 0.75 AUDUSD	US\$/t tin	11,779	11,195	11,008	-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

An aerial photograph of a town nestled in a valley. The town features a mix of residential houses and larger commercial buildings, some with red roofs. The surrounding landscape is lush with green trees and vegetation. In the background, a range of mountains stretches across the horizon under a clear blue sky with a few scattered clouds.

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