Stellar Resources
ASX Announcement

21 August 2018

Stellar Acquires New Tin EL13/2018

The Directors of Stellar Resources Limited (ASX: SRZ, "Stellar" or the "Company") are pleased to advise that the Tasmanian Minister for Resources has granted EL13/2018 to the Company. The 24km^2 tenement was won in a competitive tender process that considered Stellar's exploration concept and program, the Company's capabilities and its proven track record in Tasmania over the last 12 years. EL13/2018 is strategically important to Stellar. It contains a known pre-JORC tin resource and can be easily integrated into the Heemskirk Tin Project (ML2023P/M, Figure 1) which lies immediately to the south.

Figure 1: Location of Heemskirk Tin Mining Leases and Exploration Licences

Managing Director Peter Blight said "Granting of EL13/2018 is an important win for Stellar. It adds the Oonah tin deposit, the fourth of the known tin deposits in the Zeehan area (the others are Queen Hill, Severn and Montana), to Stellar's portfolio. More importantly, it adds the northwest trending structural corridor along which all tin deposits and major historical silver mines lie and greatly enhancing the exploration potential of the Heemskirk Tin Project."

About Stellar:

Stellar Resources (SRZ) is an exploration and development company with assets in Tasmania. 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.

Capital Structure

Shares:	*379,713,489*
Share Price (SRZ):	*A$0.015*
Listed Options:	*59,142,857*
Option Price (SRZO):	*A$0.005*
Unlisted Options:	*15,000,000*

Commodity

Tin Price:	*US$18,677/t*
Exchange Rate US$	*0.73*

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

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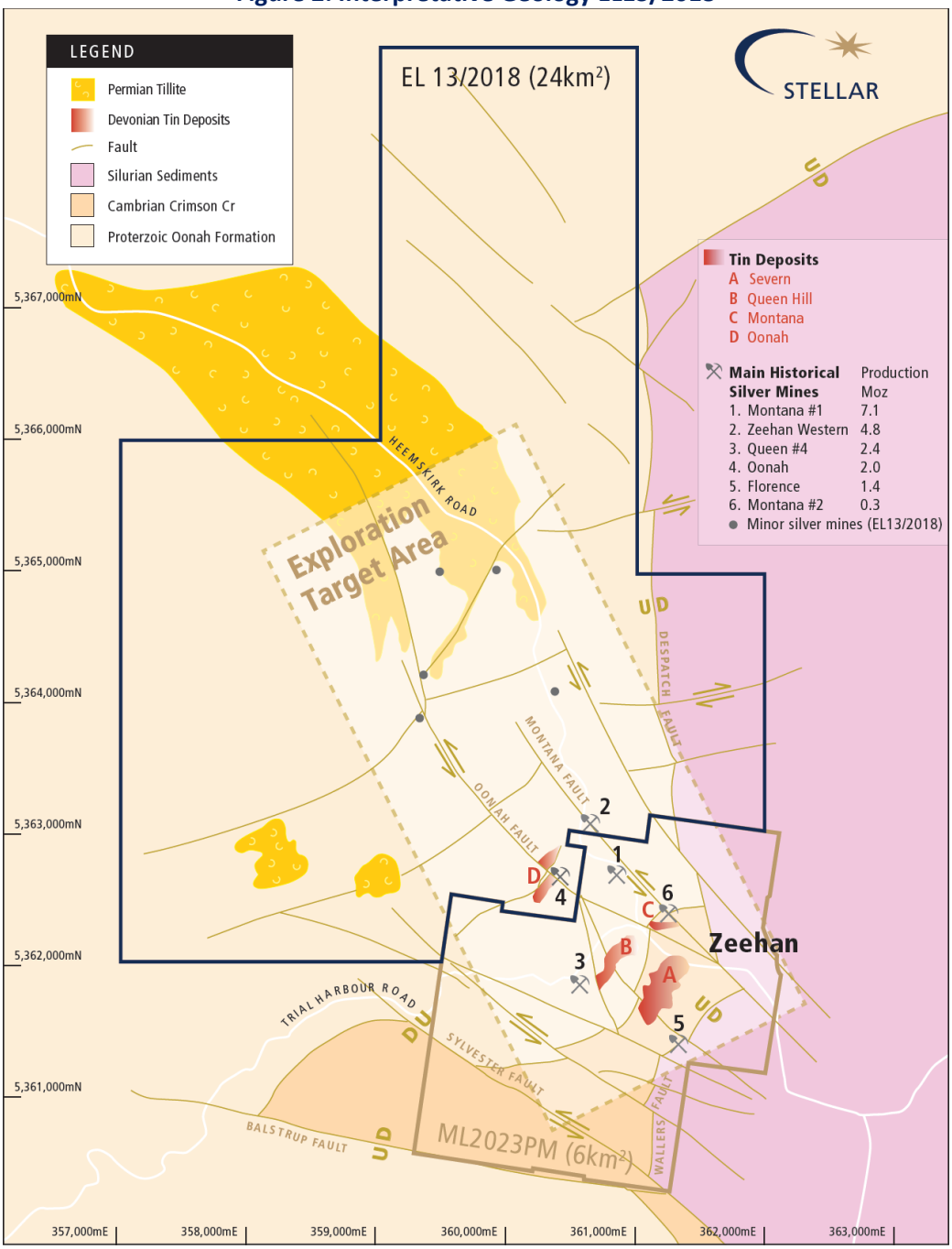
EL13/2018 Montana Flats

Montana Flats is a highly mineralised tenement that hosts similar geology and mineralisation to Stellar's flagship Heemskirk Tin Project (ML2023P/M, Figure 2). Importantly, the Queen Hill, Severn and Montana tin deposits of Heemskirk lie within dilation zones associated with major northwest trending structures identified as the Oonah and Montana Faults. As Figure 2 shows, these and associated faults extend well into EL13/2018 where they host a number of historical silver/lead mines. Zeehan Western, the second largest silver/lead producer in the Zeehan field is associated with the Montana Fault and the Oonah silver mine, the fourth largest producer, lies on the Oonah Fault. The Oonah pre-JORC tin resource parallels the silver/lead lode on the Oonah Fault.

Figure 2: Interpretative Geology EL13/2018



Exploration Strategy

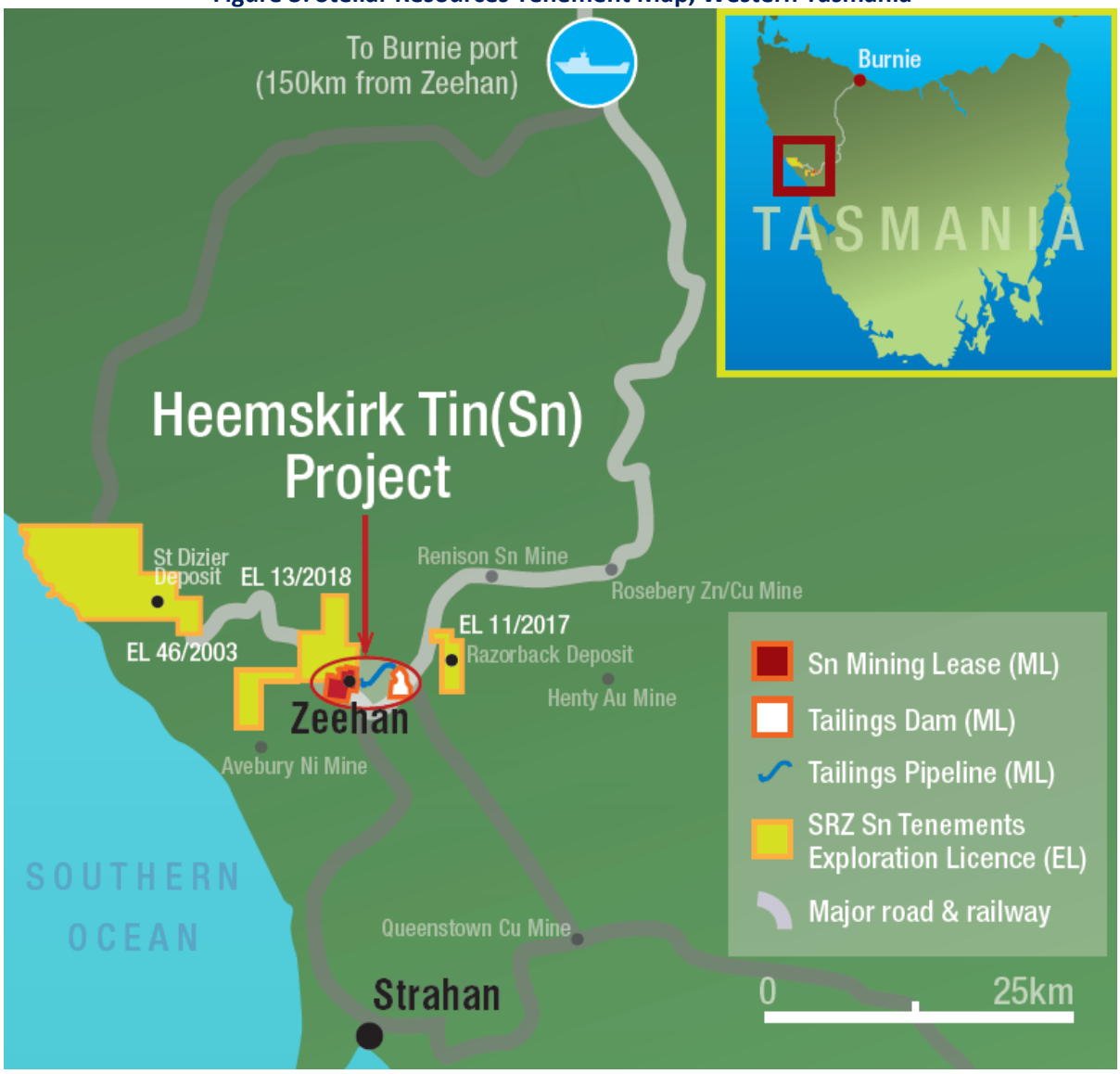
Historical exploration has focused on the Oonah tin deposit and along the Despatch Fault on the eastern edge of the tenement where replacement tin mineralisation in Ordovician carbonates was targeted.

Stellar's priority will be to explore to the west of the Despatch Fault, targeting repetitions of known mineralisation within the structural corridor (see Exploration Target Area in Figure 2). There is a pre-JORC Code resource estimate for the Oonah tin deposit but little exploration for repetitions of this mineralisation to the north and south along the Oonah Fault. Also, little exploration has occurred for tin around the Zeehan Western mine or along the Montana Fault to the north.

The initial phase of exploration will involve a review of geological mapping within the structural corridor and ground checking of historical reports of iron sulphides and cassiterite mineralisation.

Stellar's Tasmanian Tin Assets

Figure 3: Stellar Resources Tenement Map, Western Tasmania



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 3).

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.

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.	• EL13/2018 contains numerous historical silver/lead mines, most of which were relatively small. The largest mine was Zeehan Western which produced 4.8moz of silver between 1891 and 1928. Oonah, the next largest produced 2.0moz of silver between 1890 and 1924 according to a compilation of production reports by Aberfoyle Limited. • Stannite (tin sulphide) was discovered in a separate lode at the Oonah mine in 1897. Approximately 20,000t of stannite ore was produced between 1905 and 1910 for processing in the Zeehan smelter. • Historical exploration has enlarged the size of the stannite lode and showed the relationship between fissure lodes and the main northwest trending faults – the target of exploration planned by Stellar. • 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 • 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	• EL13/2018 was offered to Columbus Metals on 31 July 2018 and Columbus Metals has accepted the offer by paying rent for the first year and arranging a Bank Guarantee to cover the security bond. • EL13/2018 will be 100% owned by Stellar Resources' wholly owned subsidiary Columbus Metals Limited on completion of the title transfer. • EL13/2018 is located 3km to the northwest of Zeehan on Tasmania's west coast. Access to historical mine sites within the EL is provided by existing roads.
Exploration done by other parties	• Acknowledgement and appraisal of exploration by other parties.	• Early mining activity occurred in the 1890 to 1928 period following the discovery of silver bearing lead veins and the stannite lode at the Oonah mine • Modern exploration of EL13/2018 was conducted by Placer Prospecting (1963-65), Minops (1971), Aberfoyle (1974-77), CRA exploration (1979-82, Bass Metals (2005-2010) and TNT Mines (2010-2017). • Diamond drilling of the Oonah stannite load by several explorers increased its size and led to a pre-JORC Code resource estimate. Exploration for tin replacement lodes in the Ordovician carbonates east of the Despatch Fault failed to prove the concept.
Geology	• Deposit type, geological setting and style of mineralization.	• Silver/lead mineralization and the stannite mineralization at the Oonah mine occur as lodes within local faults and fissures in Oonah Formation slates and vesicular volcanics. • The mineralised lodes occur as splays off major northwest trending Montana and Oonah Faults. These faults parallel the axial plane of a regional anticlinorium in Oonah Formation metasediments.

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 Oonah and Zeehan Western mines. • Ground confirmation of historical geological mapping and rock chip sampling around historical mine sites. • Exploration of the northwest trending target zone (see Figure 2) and sampling along the Oonah and Montana Faults