

Stellar Resources

ASX Announcement



21 July 2016

Heemskirk Tin Mining Lease Application

Stellar Resources Limited (ASX: SRZ, “Stellar” or the “Company”) is pleased to advise that its wholly owned subsidiary Columbus Metals Limited has applied to Mineral Resources Tasmania (MRT is the mining department of State Growth Tasmania) for a Mining Lease (ML) over its Heemskirk tin deposits.

Conversion of the current title, RL5/1997, into an ML reflects the Board’s confidence in the Company’s flagship tin project and represents a key milestone in the project’s advance towards development.

An ML represents a more secure and longer duration form of tenure than an RL and grants exclusive rights to minerals. Columbus Metals has applied for the longest duration available under the Mineral Resources Development Act 1995.

Managing Director Peter Blight said “The mining lease application is a pleasing step forward for the Heemskirk Tin Project. It not only recognises the project’s advancement but also comes at a time when the LME tin price is in the early stage of recovery. Heemskirk is a stand-out tin project that has the advantages of high tin grade and existing, well established and available infrastructure.”

Issued Capital

Shares: 300,227,775
Share Price: A\$0.031
Market Cap: A\$9.3million

Commodity

Tin Price: US\$17,675/t
Exchange Rate US\$ 0.75
A\$ Tin Price: A\$23,567/t

Main Shareholders

European Investors 24.8%
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

Christina R Kemp

Company Secretary

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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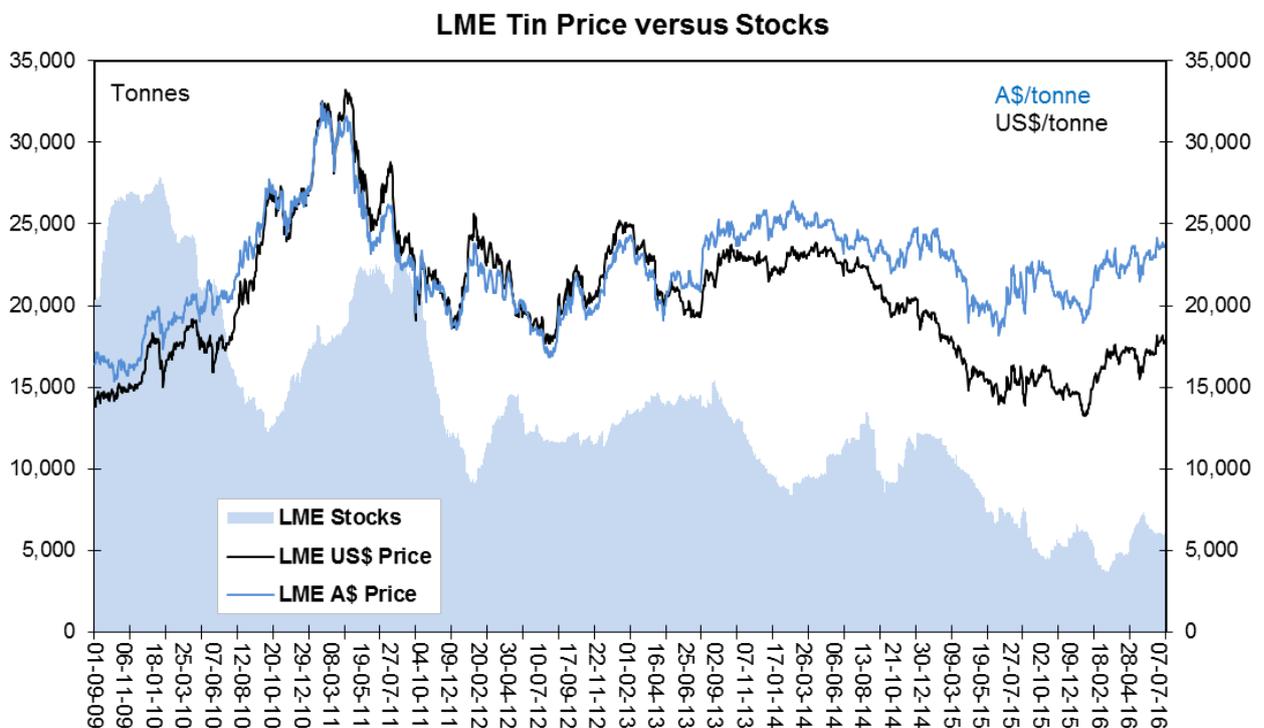


Tin Market Update

The LME tin price has risen by 34% to US\$17,675/t on July 20th from January 18th low of US\$13,235/t. During this period LME stocks have declined by 3% to 5,992t reflecting an already historically low level of stocks (see chart below).

Drivers of the tin price recovery appear to be:

- Recovery from an over-sold position – at the tin price low of US\$13,235/t, 65% of tin producers were unprofitable according to the most recent ITRI tin producer cost curve.
- Improved investor sentiment towards all metals – gold has lead the way in the price recovery with base metals following.
- Reduced exports from Indonesia – exports are down 29% in the first 5 months of 2016 compared with the same period in 2015.
- ITRI predict an overall 5% decline in global refined tin production in 2016 compared with 2015 due to reduced concentrate availability – average global smelter utilisation rate is 47%.



For further details please contact:

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

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 a Consultant 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 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.

