Stellar Resources
ASX Announcement

28 February 2018

Ore Sorting Benefits Heemskirk Tin

The Directors of Stellar Resources Limited (ASX: SRZ, "Stellar" or the "Company") are pleased to advise that a second round of ore sorting test work was successfully completed using slightly different technology and recently acquired diamond drill core samples from the Severn tin deposit.

200 samples of ¼ core ranging from highly mineralised to waste rock were processed using Steinert KSS technology (see Figure 1). The results show that the technology works well with Severn mineralisation and can achieve significant waste rejection and increased head grade with only moderate tin losses. Optimisation of the process using a larger sample would verify the results and potentially generate an improved outcome.

Figure 1: Steinert KSS Ore Sorter

Managing Director Peter Blight said "ore sorting technology is being implemented in older tin mines such as San Raphael in Peru and Renison in Tasmania. This validation of the technology is positive for Stellar's Heemskirk Tin which is focused on opportunities to reduce unit cost. The technology can also provide savings in processing capital and reagent use which will be investigated following optimisation of the process using a large sample."

Capital Structure

Shares:	*379,713,489*
Share Price (SRZ):	*A$0.017*
Listed Options:	*59,142,857*
Option Price (SRZO):	*A$0.004*
Unlisted Options:	*15,000,000*

Commodity

Tin Price:	*US$21,820/t*
Exchange Rate US$	*0.78*

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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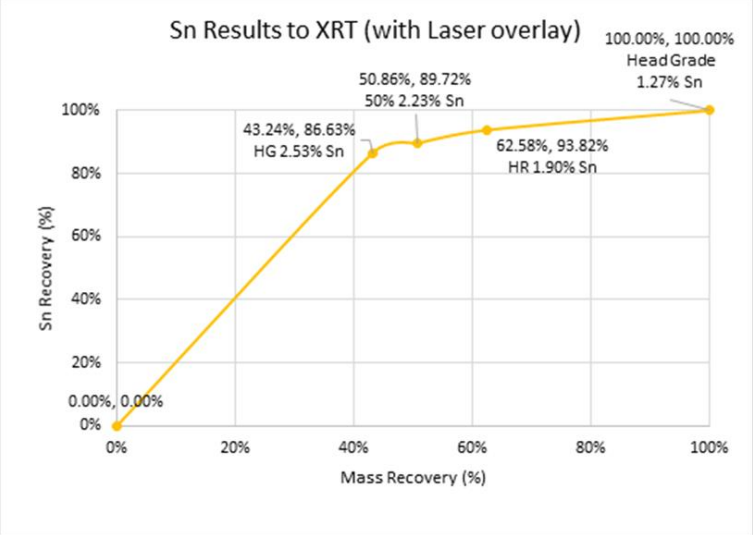
About Stellar:

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.

Discussion of Results

The results summarised in Figure 2 show a preliminary tin recovery versus mass recovery curve. The objective of ore sorting is to minimise mass recovery and maximise tin recovery ie shift the yellow curve as far to the top left corner as possible.

Figure 2: Ore Sorting Results



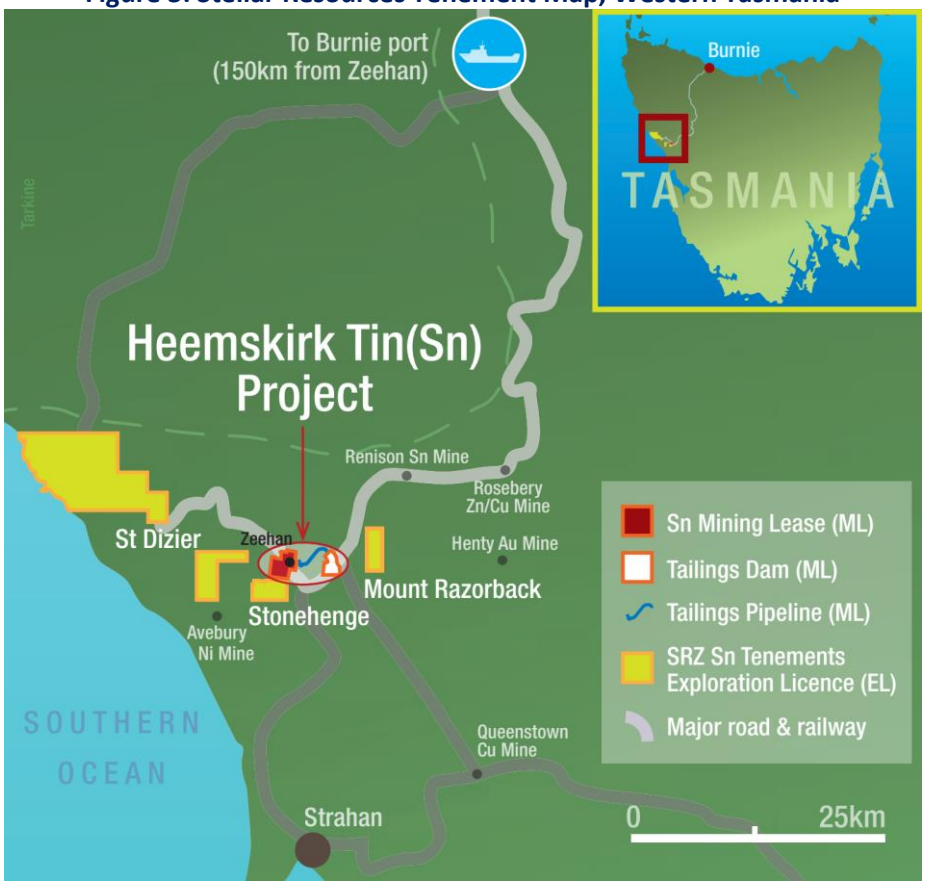
In the case of the Severn sample, the three data points plotted in Figure 2 show a positive outcome with potential for improvement. The top right data point, maximises tin recovery. It shows that 94% of contained tin can be recovered in 63% of the mass (ie 37% of the mass is rejected as waste) with an increase in head grade from 1.3% to 1.9% tin. Accepting lower tin recover of say 90%, reduces mass recovery to 50% and increases head grade to 2.2% (middle data point). Minimising mass recovery to 43%, reduces tin recovery to 87% but increases head grade to 2.5% (third data point).

These results represent a bench scale first pass test. They will be optimised using a larger sample and replicating (as far as possible) actual processing conditions. In the meantime, the Company will be following progress at the neighbouring Renison mine which is in the process of installing ore sorting technology to treat 900ktpa of run of mine ore. The Renison facility represents validation of the technology and will generate outcomes that will be achievable at Heemskirk given the similar nature of the ore types.

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.

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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