

Stellar Resources

ASX Announcement



10 September 2020

Capital Structure

Shares: 442,714,441
Share Price (SRZ): 1.9 c
Unlisted Options: 37,000,000
Share Rights 5,161,190

Commodity

Tin Price: US\$18,314/t
Gold Price: US\$1,937/Oz
Exchange Rate US\$ 0.73

Main Shareholders

European Investors 16.5%
Capetown SA 14.1%

Board & Management

Simon O'Loughlin
Non-Executive Chairman
Simon Taylor
Non-Executive Director
Thomas Whiting
Non-Executive Director
Gary Fietz
Non-Executive Director

Melanie Leydin
Company Secretary

NE Tasmania Gold Exploration Licence Applications

Stellar Resources Limited (ASX:SRZ, "Stellar" or the "Company") is pleased to announce that it has lodged 10 Exploration Licence Applications (ELA's) covering a large area in North East Tasmania which is highly prospective for Victorian-style Orogenic Gold and for Intrusive Related Gold Systems (IRGS).

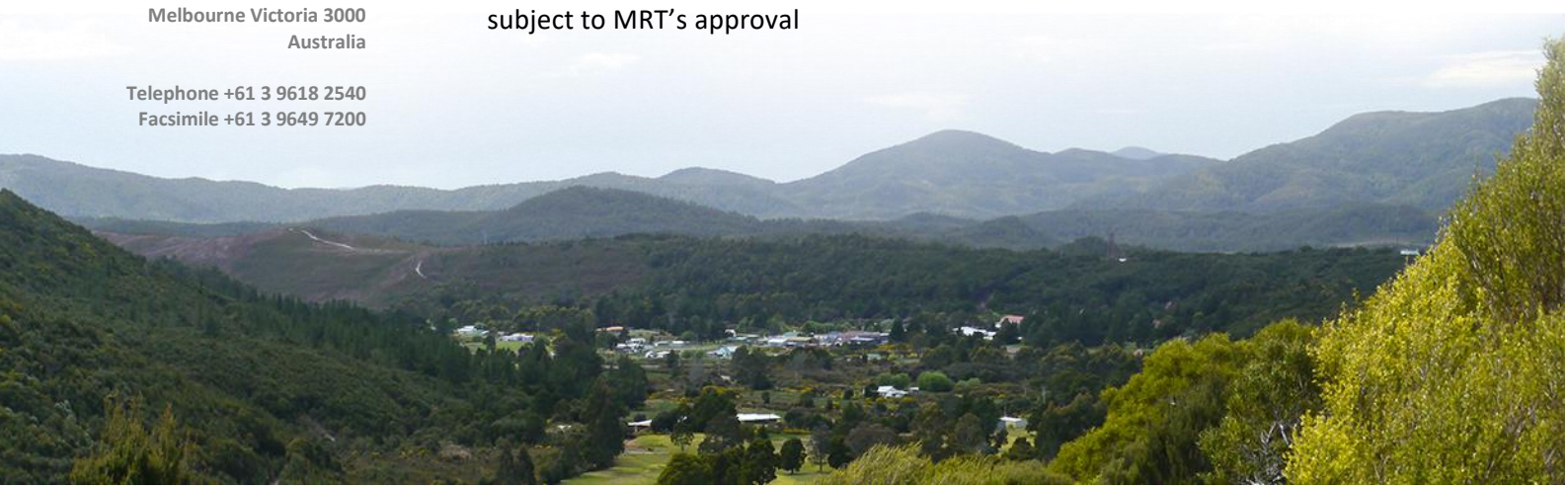
Highlights:

- 10 first-in-time ELA's made by Stellar's wholly owned subsidiary, Tarcoola Iron Pty Ltd, were registered yesterday by Mineral Resources Tasmania (MRT).
- The 10 ELA's cover a combined area of 2,295 km² in NE Tasmania which is highly prospective for Victorian-style Orogenic Gold and IRSG deposits and contains ~76 recorded historic gold occurrences.
- NE Tasmania is a continuation of the Victorian Western Lachlan Fold Belt, which hosts the >3 MOz Fosterville Mine, other Tier 1 goldfields including Bendigo, Ballarat, Stawell, Walhalla and Woods Point and has produced >80 MOz gold. The ELA areas in NE Tasmania best align with the rich Walhalla-Woods Point belt in the eastern part of the Melbourne structural zone.
- NE Tasmania hosts the Beaconsfield Mine (2.3 MOz), New Golden Gate Mine (0.3 MOz) and the Lefroy Goldfield (0.2MOz), along with hundreds of smaller historic gold mines and occurrences.
- While Victoria is currently experiencing intense gold exploration activity, NE Tasmania has had very little modern gold exploration undertaken.
- Numerous gold exploration targets identified within the ELA areas based on:
 - ✓ Similar geology to the Western Lachlan Fold Belt in Victoria (similar timing of deposition, deformation, metamorphism and granite intrusions)
 - ✓ Regional scale structural trends/lineaments identified in aeromagnetic and gravity surveys and corresponding mapped faults which are targets for gold mineralisation.
 - ✓ Location of recorded gold occurrences
- Granting of the Exploration Licences is expected to take 3 to 6 months, subject to MRT's approval

ASX Code: SRZ

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Commentary

Chairman, Simon O'Loughlin commented, "Stellar is excited to be in a position where it soon expects to be able to explore for Victorian-style gold exploration targets in relatively under-explored NE Tasmania within the continuation of the Victorian Western Lachlan Fold Belt. Stellar's established base in Tasmania has enabled us to identify these targets and to lodge and have the ELA's registered by Mineral Resources Tasmania. Our geological team and network of technical consultants in Tasmania will also be a great asset in implementing the proposed gold exploration program going forward".

"Whilst embarking on the NE Tasmania gold initiative, Stellar will continue to hold all of its licences and leases in good standing over the Heemskirk Tin Project and other satellite tin projects on the West Coast of Tasmania. We note that tin prices have recovered significantly from lows of ~US\$16,000/t early in 2020 with the onset of Coronavirus to currently over US\$18,300/t. We remain optimistic that tin prices will continue to strengthen, supporting the advancement of the Heemskirk Tin Project in the future."

NE TASMANIA – A CONTINUATION OF THE VICTORIAN WESTERN LACHLAN FOLD BELT

Gold deposits in North East Tasmania lie within a continuation of the Western Lachlan Fold Belt in Victoria – one of the world's largest orogenic gold provinces.

Victorian Gold Deposits

The Western Lachlan Fold Belt in Victoria hosts the >3 MOz Fosterville Mine, other Tier 1 goldfields including Bendigo, Ballarat, Stawell, Walhalla and Woods Point and has produced >80 MOz gold. Victoria has 13 goldfields that have each produced over 1 MOz gold with Bendigo (22 MOz) being the largest of these. The Western Lachlan Fold Belt in Victoria is divided into the Stawell, Bendigo and Melbourne structural zones. The eastern most Melbourne Zone extends southwards across Bass Strait into NE Tasmania. More specifically, the gold rich Walhalla-Woods Point belt in the eastern part of the Melbourne Zone, aligns well with NE Tasmania and Stellar's ELA areas.

The majority of gold deposits in Victoria are orogenic gold deposits formed in Ordovician to Devonian turbiditic sediments which were deformed and metamorphosed during the Lachlan Orogen. Gold mineralization is associated with late stage regional deformation and is commonly also associated with proximal granitoid intrusions. Most gold in Victoria is formed within quartz veins which occupy dilational zones along large scale faults related to folding and deformation occurring during the Lachlan Orogen. Gold can also occur in veins and in stockworks in faults as is the case at Fosterville.

NE Tasmania Gold Deposits

NE Tasmania hosts the Beaconsfield Mine (2.3 MOz), New Golden Gate Mine (0.3 MOz) and the Lefroy Goldfield (0.2MOz), along with hundreds of smaller historic gold mines and occurrences.

Just like their equivalent Victorian gold deposits within the Western Lachlan Fold Belt, the gold deposits in NE Tasmania are orogenic gold deposits formed in Ordovician to Devonian turbiditic sediments, known as the Mathinna Super-Group in NE Tasmania. The Mathinna Super-Group sediments in NE Tasmania were also deformed and metamorphosed during the Lachlan Orogen with gold mineralization being associated with late stage regional deformation and being commonly associated with proximal granitoid intrusions. Most gold in NE Tasmania is formed within quartz veins which occupy dilational zones along large scale faults related to folding and deformation

occurring during the Lachlan Orogen. The location and geometry of gold lodes in North East Tasmania, as is the case in Victoria, is influenced by the presence of regional structures and by rheological contrasts between sedimentary rock units.

NE Tasmania also contains deposits where gold occurs as veins and in stockworks in faults and Intrusive Related Gold Style (IRGS) deposits.

Figure 1 shows the continuation of the Melbourne Zone of the Victorian Western Lachlan Fold Belt into NE Tasmania.

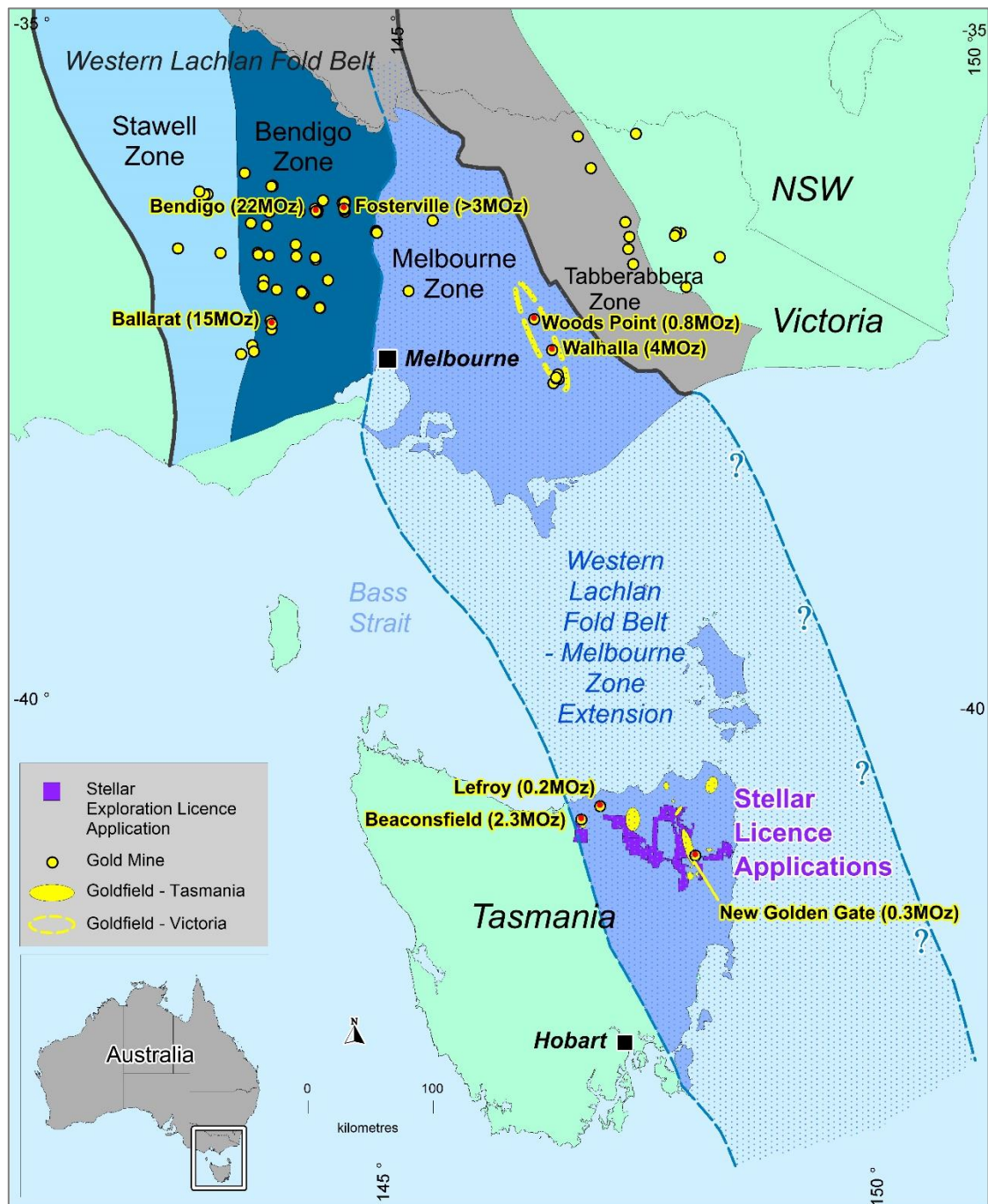


Figure 1: Continuation of Western Lachlan Fold Belt from Victoria into NE Tasmania
(after Geological Survey of Victoria (2000), The Tasman Fold Belt System in Victoria. Estimates of Gold production for Victorian Gold Fields may include district production)

Figure 2 highlights the similar timing of sedimentation, deformation, granitoid intrusions and gold mineralization between NE Tasmania and Victoria.

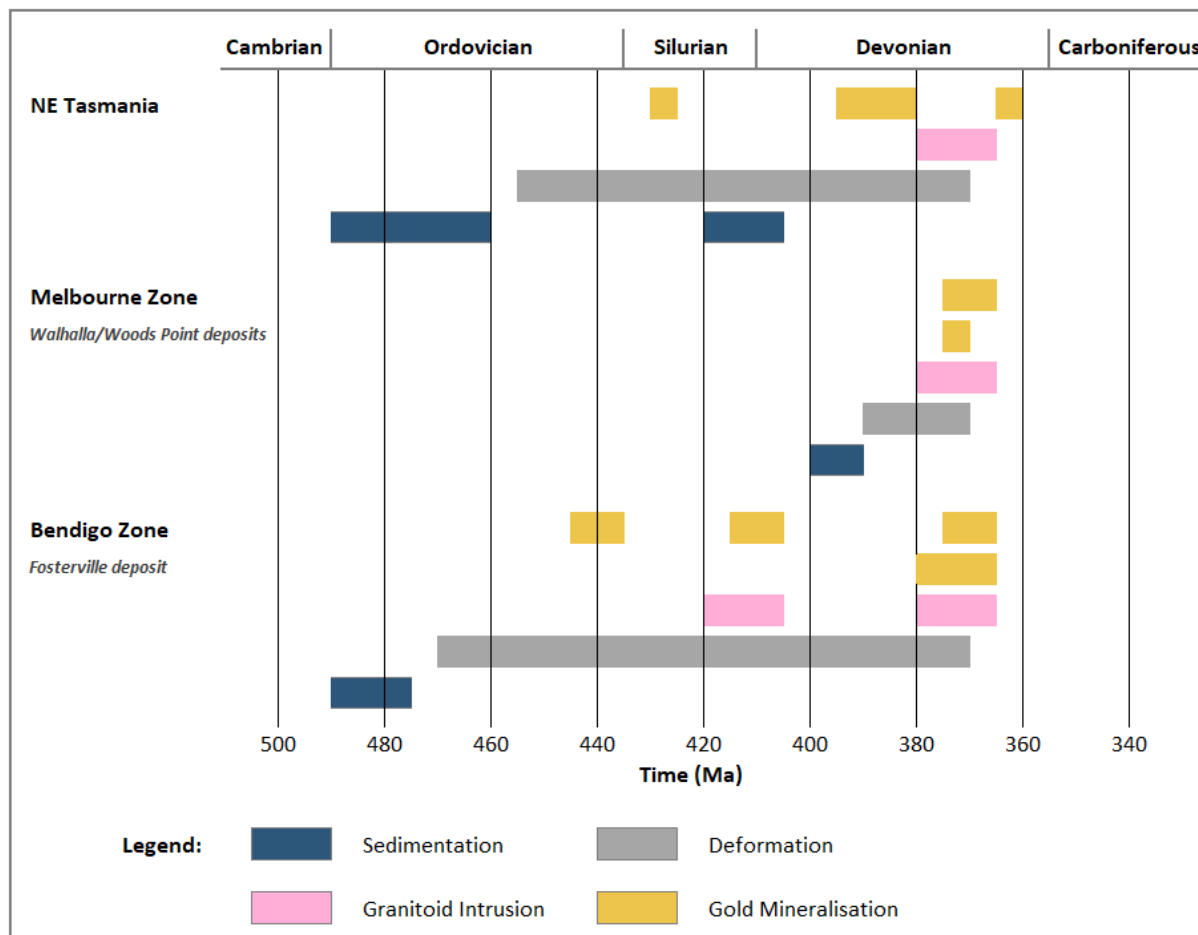


Figure 2: Timing of Geological Events in NE Tasmania vs Melbourne and Bendigo Zone of Western Lachlan Fold Belt in Victoria

(after Bierlein et al (2005), Timing of Orogenic gold mineralisation in north-eastern Tasmania: implications for the tectonic and metallogenic evolution of Palaeozoic SE Australia)

While Victoria is currently experiencing intense gold exploration activity, NE Tasmania has had very little modern gold exploration undertaken.

EXPLORATION LICENCE APPLICATIONS

10 first-in-time Exploration Licence Applications (ELA's) in North East Tasmania by Stellar's wholly owned subsidiary, Tarcoola Iron Pty Ltd were registered by Mineral Resources Tasmania (MRT) yesterday. The location and names of the ELA's are shown in Figure 3.

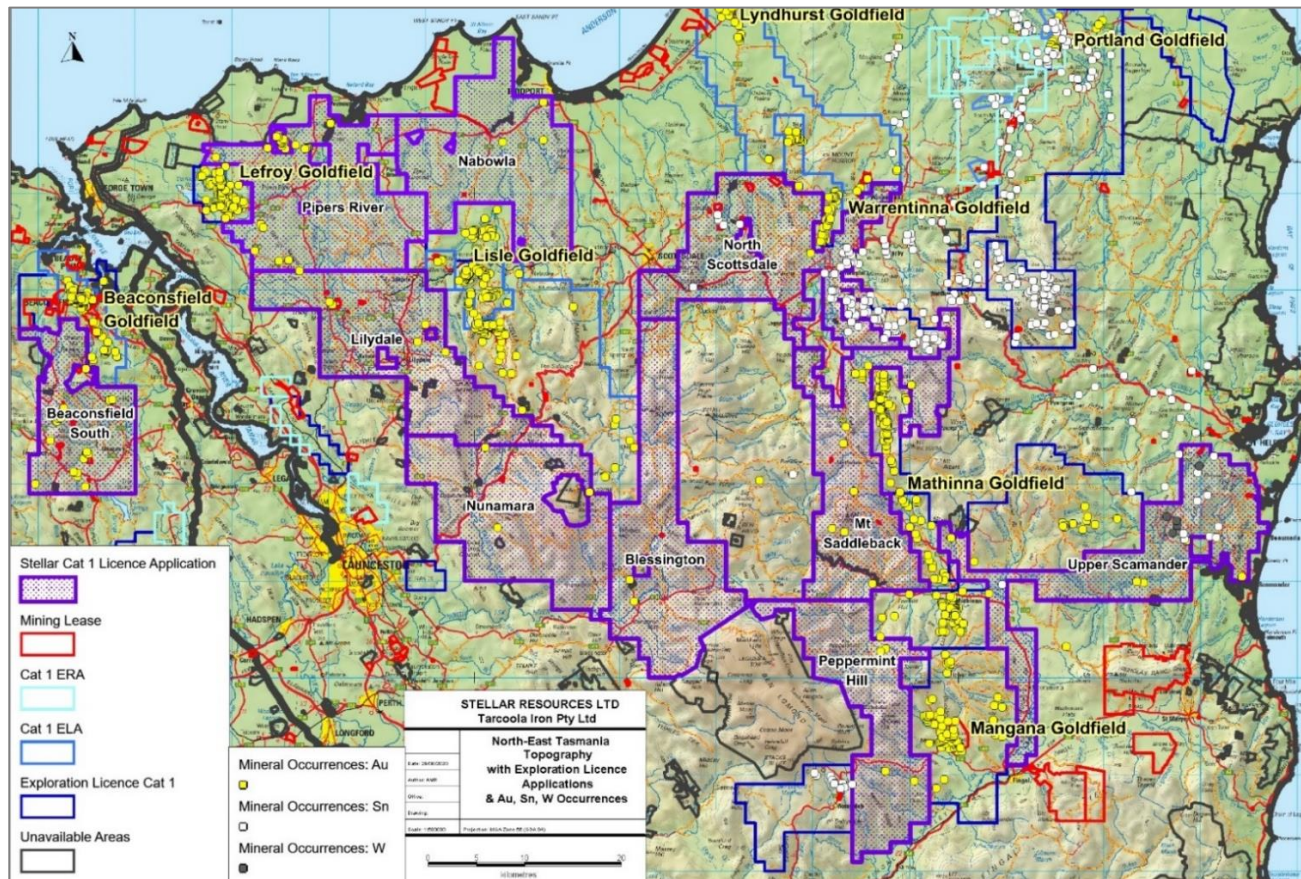


Figure 3: Stellar ELA's, Occurrences and Existing Licences

The 10 ELA's cover a large combined area (2,295 km²) in NE Tasmania which is highly prospective for Victorian-style Orogenic Gold and for Intrusive Related Gold Systems (IRGS) with ~76 historic gold occurrences recorded within the ELA areas.

NE TASMANIA GOLD EXPLORATION TARGETS WITHIN STELLAR ELA'S

Numerous gold exploration targets have been identified within Stellar's ELA areas based on the following targeting criteria:

- ✓ Ordovician turbiditic meta-sediments (Mathinna Super-Group)
- ✓ Ordovician to Devonian deformation and metamorphism (Western Lachlan Orogen)
- ✓ Devonian granitoid intrusives nearby
- ✓ Predominantly NW Regional scale structural trends/lineaments identified in aeromagnetic and gravity surveys and corresponding mapped faults. Intersecting NE trends/faults also identified in some of the ELA's
- ✓ Intrusive Related Gold Style (IRSG) targets identified within the Blessington and other ELA's from aeromagnetic surveys
- ✓ Location of recorded gold occurrences (and tin/tungsten occurrences for Upper Scamander ELA)
- ✓ Ground open for application

Table 1 summarizes how the above targeting criteria are met within each of the 10 Stellar ELA's.

Table 1: Summary of Stellar NE Tasmania ELA Targets

| No. | Application Name | Ordovician Mathinna Group | Regional Structures (Magnetic Lineaments & Mapped Faults) | Granitoid Intrusions nearby | Gold Occurrences | Tin/ Tungsten Occurrences |
|-----|--------------------|---------------------------|---|-----------------------------|------------------|---------------------------|
| 1 | Beaconsfield South | ✓ | NW | ✓ | 18 | |
| 2 | Nabowla | ✓ | NW | ✓ | 3 | |
| 3 | Pipers River | ✓ | NW | | 15 | |
| 4 | Lilydale | ✓ | NW | ✓ | 6 | |
| 5 | Nunamara | ✓ | NW & NE | ✓ | 3 | |
| 6 | North Scottsdale | ✓ | NW & N | ✓ | 3 | |
| 7 | Blessington | ✓ | NW, N & NE & IRGS target | ✓ | 2 | 21 |
| 8 | Mt Saddleback | ✓ | NW & NE | ✓ | 13 | 1 |
| 9 | Peppermint Hill | ✓ | NW | ✓ | 6 | |
| 10 | Upper Scamander | ✓ | N & NE | ✓ | 7 | 1 |

Further detail on gold exploration targets within the ELA's can be seen in:

- Figure 4 - Geology of NE Tasmania (adapted from Tasmania 1:500K Geological Map Sheet) with Gold, Tin and Tungsten Occurrences and Stellar's ELA's.
- Figure 5 - Total Magnetic Intensity of NE Tasmania with Gold, Tin and Tungsten Occurrences, Stellar's ELA's and Existing Licences.

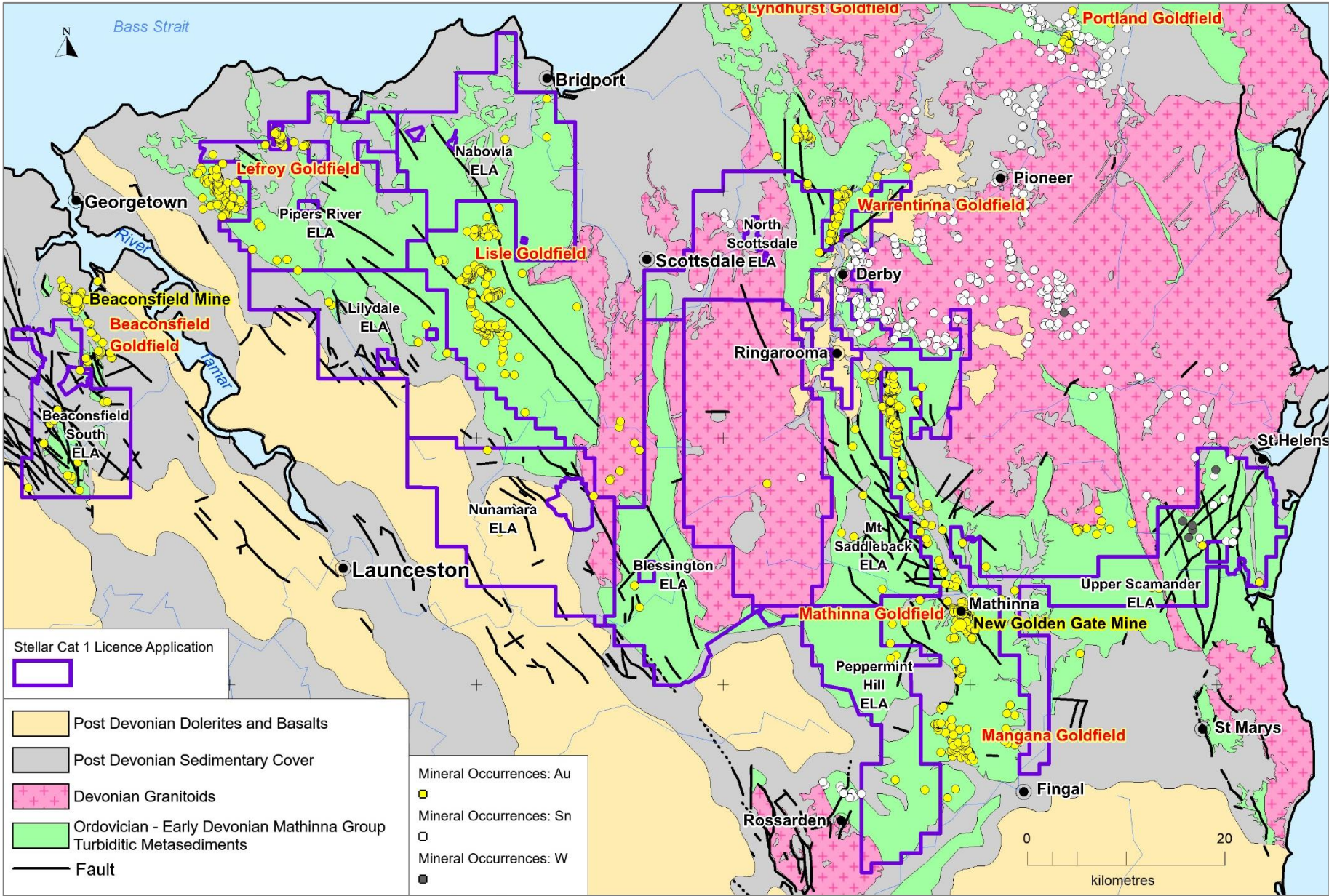


Figure 4: NE Tasmania Geology, Occurrences & Stellar ELA's

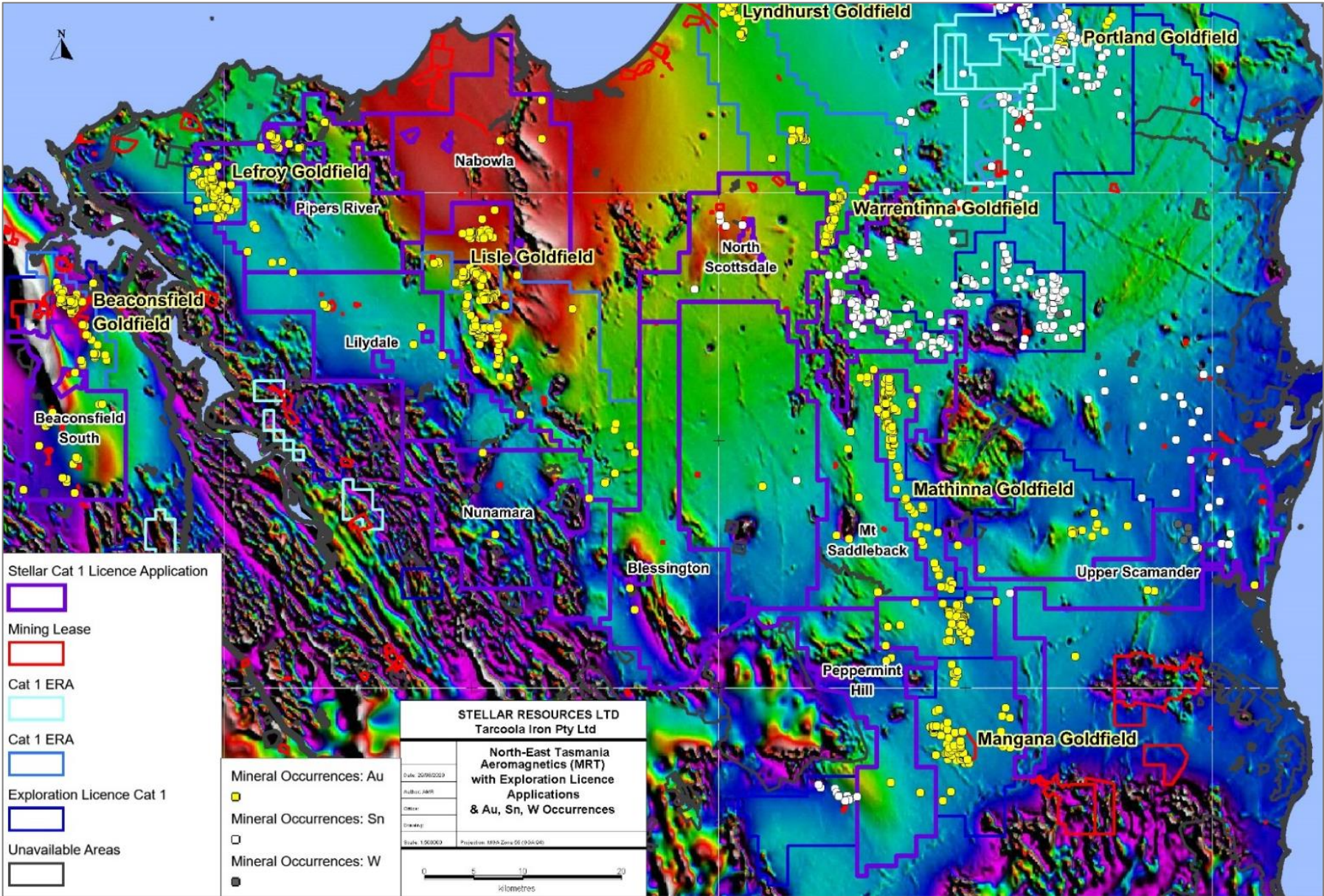


Figure 5: NE Tasmania Total Magnetic Intensity, Occurrences, Stellar ELA's and Existing Licences

PROPOSED EXPLORATION PROGRAM

The proposed exploration program for the first two years, covering all 10 of the ELA's combined is shown in Table 2.

Table 2: Proposed Exploration Program - Stellar NE Tasmania ELA's

| Year 1 – Proposed Work Program Activities |
|--|
| Detailed historic data capture and analysis including; geophysical surveys, drilling, soil, rock chip and stream sediment results and historic records on gold occurrences |
| Reprocessing of available magnetic and gravity survey data |
| Fieldwork - visit gold occurrences, mapping, soil, rock chip and steam sediment sampling and analysis over refined targets |
| Fly high resolution aeromagnetic survey over licence areas as required |
| Generation of drill targets for year 2 |
| Year 2 – Proposed Work Program Activities |
| First phase of drilling on drill targets identified in Yr 1. Drilling will be a combination of aircore or RAB or similar method for initial shallow geochemistry drilling of targets, followed up by deeper reverse circulation and diamond drillholes where initial drilling results are encouraging. |

NEXT STEPS

Processing of the ELA's by MRT is expected to take 3 to 6 months before Exploration Licences can be granted, subject to MRT's approval.

Subject to grant of the Exploration Licences, Stellar expects to commence the proposed Exploration Program early in 2021.

For further details please contact:

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 Email: gary@widerange.net.au
 Or visit our Website at:
<http://www.stellarresources.com.au>

Competent Persons Statement

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 a consultant to 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 – NORTH EAST TASMANIA - 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 | <ul style="list-style-type: none"> 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 scans, 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. | <ul style="list-style-type: none"> No exploration results reported in this release. |
| Drilling Techniques | <ul style="list-style-type: none"> 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.) | <ul style="list-style-type: none"> No drill results reported in this release. |
| Drill sample recovery | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> No drill results reported in this release. |
| Logging | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> No drill results reported in this release. |

| Criteria | JORC Code Explanation | Commentary |
|--|---|---|
| Sub-Sampling techniques and sample preparation | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • No sampling reported in this release. |
| Quality of assay data and laboratory tests | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • No assay data reported in this release. |
| Verification of sampling and assaying | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • No sampling or assays reported in this release. |

| Criteria | JORC Code Explanation | Commentary |
|---|--|---|
| Location of data points | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • All coordinates in GDA94. |
| Data Spacing and distribution | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • No drilling or sampling reported in this release |
| Orientation of data in relation to geological structure | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • No drilling or sampling reported in this release |
| Sample Security | <ul style="list-style-type: none"> • The measures taken to ensure sample security. | <ul style="list-style-type: none"> • No drill sampling reported in this release. |
| Audits or Reviews | <ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. | <ul style="list-style-type: none"> • No audits or reviews of sampling data and techniques completed, as no sampling reported in this release |

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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> All tenements referred to in this release are ELAs (Exploration Licence Applications) |
| Exploration done by other parties | <ul style="list-style-type: none"> Acknowledgement and appraisal of exploration by other parties. | <ul style="list-style-type: none"> Data and maps presented in the release are from MRT, Geoscience Victoria or academics sources. No prior exploration data reported |
| Geology | <ul style="list-style-type: none"> Deposit type, geological setting and style of mineralization. | <ul style="list-style-type: none"> The proposed program is targeting Victorian-style Orogenic Gold and Intrusive Related Gold Systems hosted by Ordovician turbiditic meta-sediments (the Mathinna Super-Group) which are thought to be a southern extension of the Melbourne Zone of the Victorian Western Lachlan Fold Belt into NE Tasmania. As is the case in Victoria, most gold in NE Tasmania is hosted within quartz veins which occupy dilational zones along large scale faults related to folding and deformation occurring during the Lachlan Orogen. |
| Drill hole information | <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> No drilling results are reported in this release. |

| Criteria | JORC Code Explanation | Commentary |
|--|---|--|
| Data aggregation methods | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> No exploration results are reported in this release. |
| Relationship between mineralisation widths and intercept lengths | <ul style="list-style-type: none"> 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) | <ul style="list-style-type: none"> No drill results reported in this release. |
| Diagrams | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> See plans presented in the body of the release. No drilling reported. |
| Balanced reporting | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> No exploration results reported in this release. |
| Other substantive exploration data | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> No exploration results reported in this release. |
| Further work | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> Detailed historic data capture and analysis including; geophysical surveys, drilling, soil, rock chip and stream sediment results and historic records on gold occurrences Reprocessing of available magnetic and gravity survey data Fieldwork - visit gold occurrences, mapping, soil, rock chip and steam sediment sampling and analysis over refined targets Fly high resolution aeromagnetic survey over licence areas as required |

| | | |
|--|--|---|
| | | <ul style="list-style-type: none">• Drill targets identified by above work. Drilling will be a combination of aircore or RAB or similar method for initial shallow geochemistry drilling of targets, followed up by deeper reverse circulation and diamond drillholes where initial drilling results are encouraging. |
|--|--|---|