Stellar Resources
ASX Announcement

19 February 2013

49% Increase in Heemskirk Tin Resource

Resource and Exploration Geology has completed a review of Mineral Resources at the Heemskirk Tin project resulting in significant increases from the successful drilling campaign.

- **49% increase in contained tin to 71,500 tonnes.**
- **3% increase in average grade to 1.14% tin.**
- 78% of the increase in contained tin in Severn.
- JORC compliant Indicated and Inferred Mineral Resource upgraded to 6.28 million tonnes @ 1.14% tin from 4.36 million tonnes @ 1.10%.
- Positive results should enhance pre-feasibility study - due at end June 2013.
- Potential for further resource expansion with all deposits open.
- **Heemskirk remains one of the highest grade undeveloped tin resources in the world**.

CEO Peter Blight said *"I am excited by the increased resource delivered by our diamond drilling over the last 12 months. A substantial part of the increase is in the Severn deposit where just eighteen diamond drill holes demonstrated multiples zones of tin mineralisation and good geological continuity between holes. The Severn and Queen Hill deposits are open to the north and all are open at depth with excellent exploration potential in the untested area of convergence between the three deposits. A comparison with other ASX listed tin projects shows that Heemskirk is well positioned to be a significant future player in the tin mining business."*

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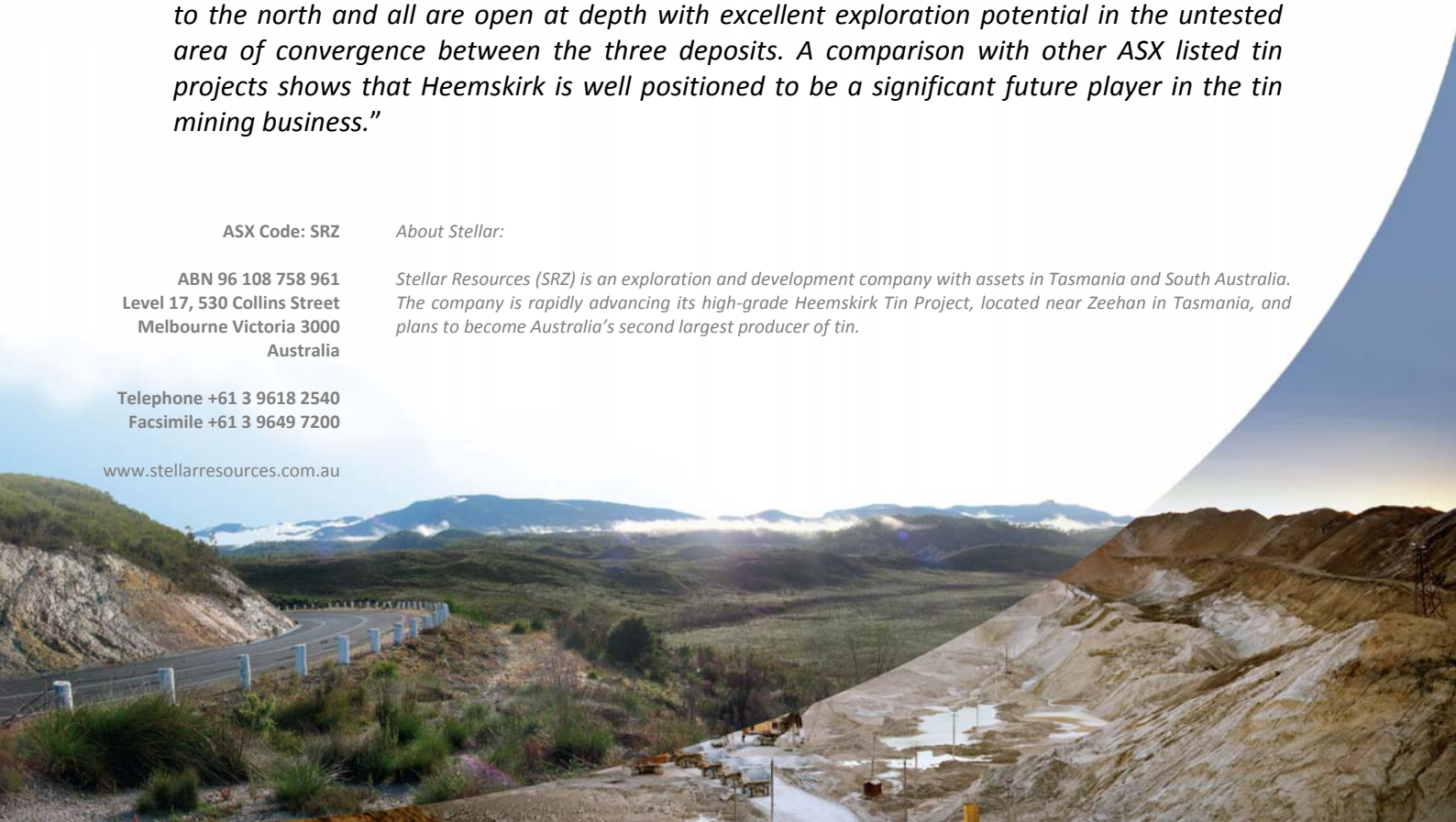
About Stellar:

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.



Overview

Stellar Resources Limited (Stellar) has completed an updated review of Mineral Resources at its Heemskirk Tin project resulting in a 49% increase in estimated contained tin to 71,500 tonnes. Of this, the Severn deposit accounted for 78% of the increase and now represents 57% of the total resource. Queen Hill represents 29% and Montana 14%.

This substantial increase in Mineral Resources will potentially result in a longer mine life and thereby enhance project economics. Greater geological consistency and deposit widths that have been demonstrated should enhance future mine planning.

A pre-feasibility study at Heemskirk is underway. GR Engineering is completing processing plant and surface infrastructure studies and Mining One was recently appointed to prepare a mining study. The completion date for these studies is the end of June 2013.

Mineral Resource Estimate

The Mineral Resource estimate is based on 100 historic diamond drill holes totalling 25,537 metres and 35 recent holes drilled by Stellar for 10,429 metres.

Table 1 summarises the upgraded Heemskirk Mineral Resource estimate prepared by independent consultant, Resource and Exploration Geology, in accordance with the 2012 edition of the JORC Code. Indicated and Inferred Mineral Resources are reported assuming a 0.6% tin block cut-off grade. The Mineral Resource estimation methodology used by Resource and Exploration Geology is summarised in Appendix 1.

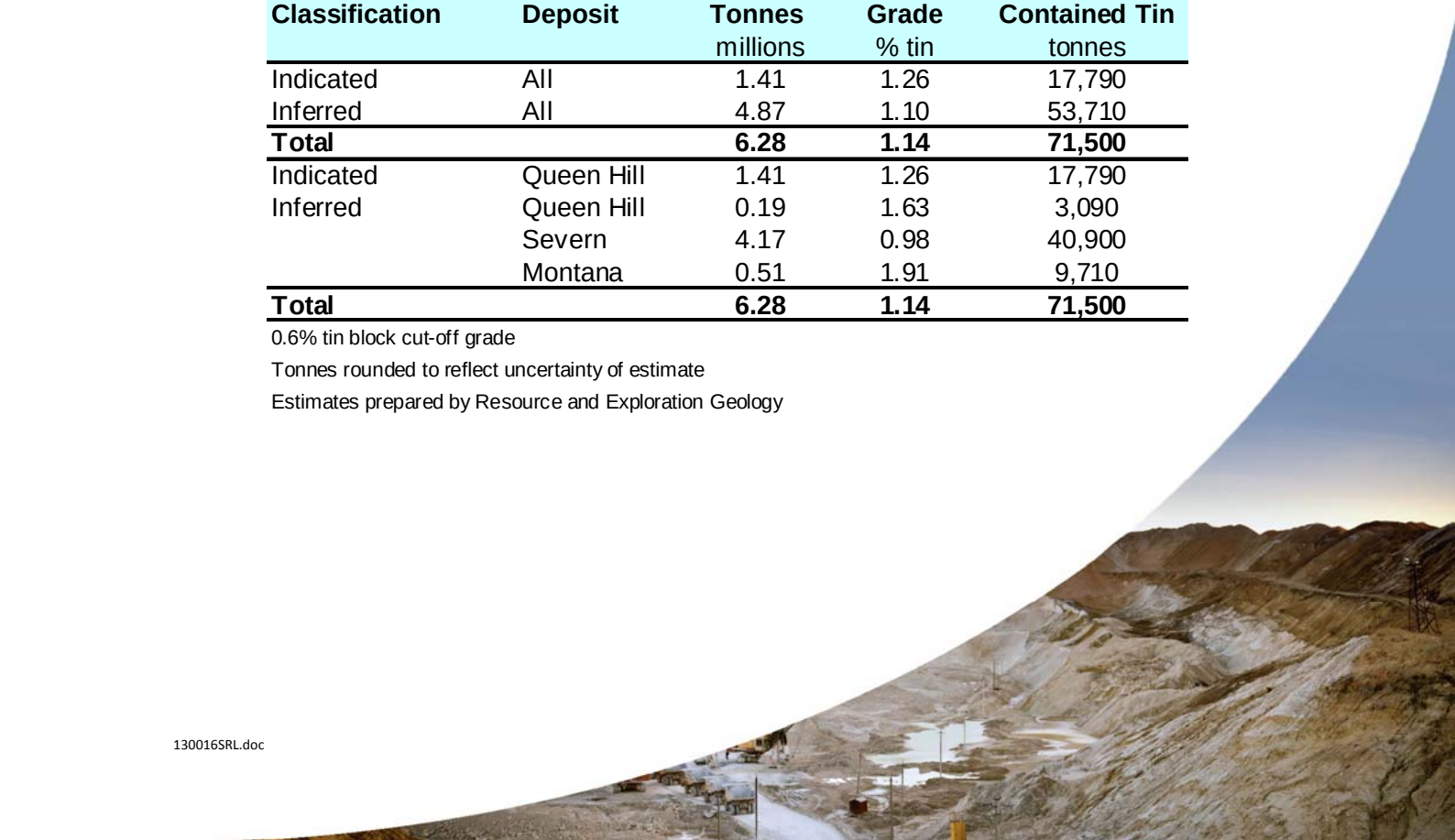
Table 1: Mineral Resources, Heemskirk Tin Project

Classification	Deposit	Tonnes millions	Grade % tin	Contained Tin tonnes
Indicated	All	1.41	1.26	17,790
Inferred	All	4.87	1.10	53,710
Total		**6.28**	**1.14**	**71,500**
Indicated	Queen Hill	1.41	1.26	17,790
Inferred	Queen Hill	0.19	1.63	3,090
	Severn	4.17	0.98	40,900
	Montana	0.51	1.91	9,710
Total		**6.28**	**1.14**	**71,500**

0.6% tin block cut-off grade

Tonnes rounded to reflect uncertainty of estimate

Estimates prepared by Resource and Exploration Geology



The Heemskirk Tin deposits are steeply dipping and moderately plunging tabular bodies that are delineated over an area of 600 metres by 500 metres and to a depth of 500 metres in the case of the Severn deposit and 300 metres for Queen Hill and Montana (see Figures 1 and 2).

Tin occurs as cassiterite associated with pyrite and pyrrhotite stock-work and replacement style mineralisation in Precambrian and Cambrian sediments and volcaniclastics. The stratabound mineralisation is structurally controlled on fold or fault related dilation zones.

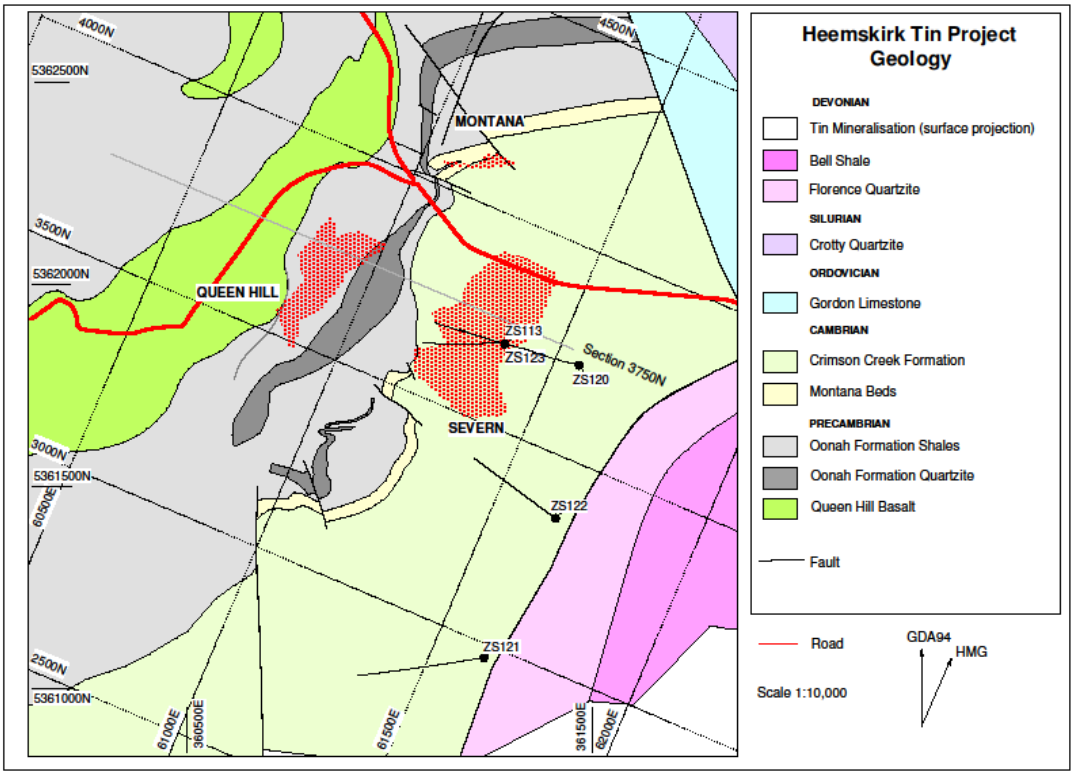


Figure 1: Simplified Geological Plan, Heemskirk Tin Project

Three dimensional modelling of the Heemskirk tin deposits (see Figure 2) shows their close proximity to each other and the extensive distribution of high grade zones in purple (above 1.2% tin) and red (1.0% to 1.2% tin). All three deposits plunge toward the Montana Fault which is assumed to be the conduit for mineralising fluids emanating from a Devonian Granite. Magnetic and gravity surveys infer the presence of a granite body one kilometre below the surface and directly below the tin deposits.

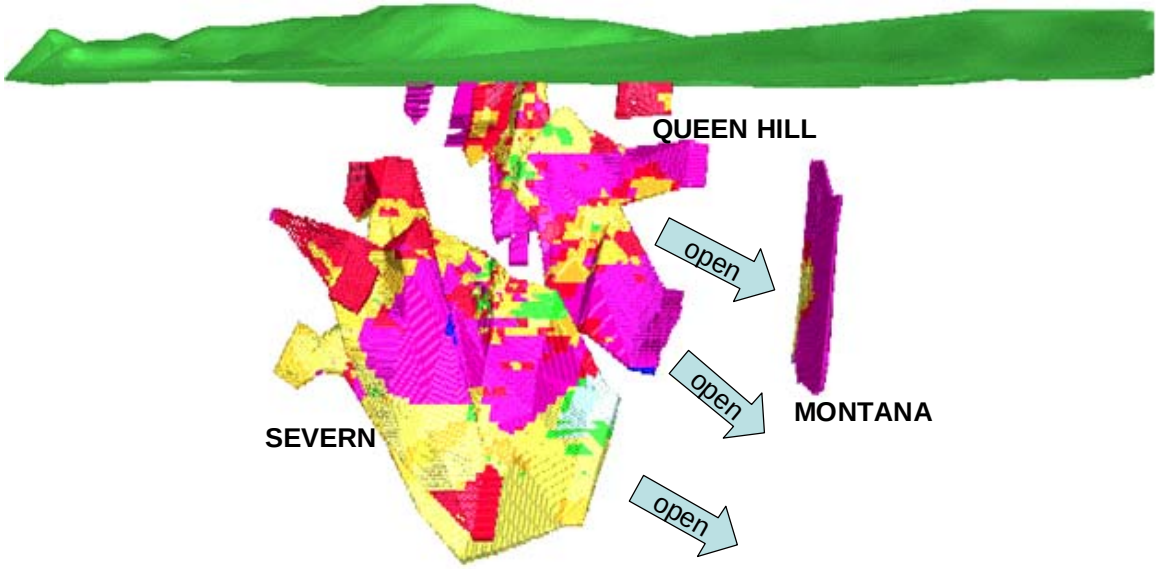
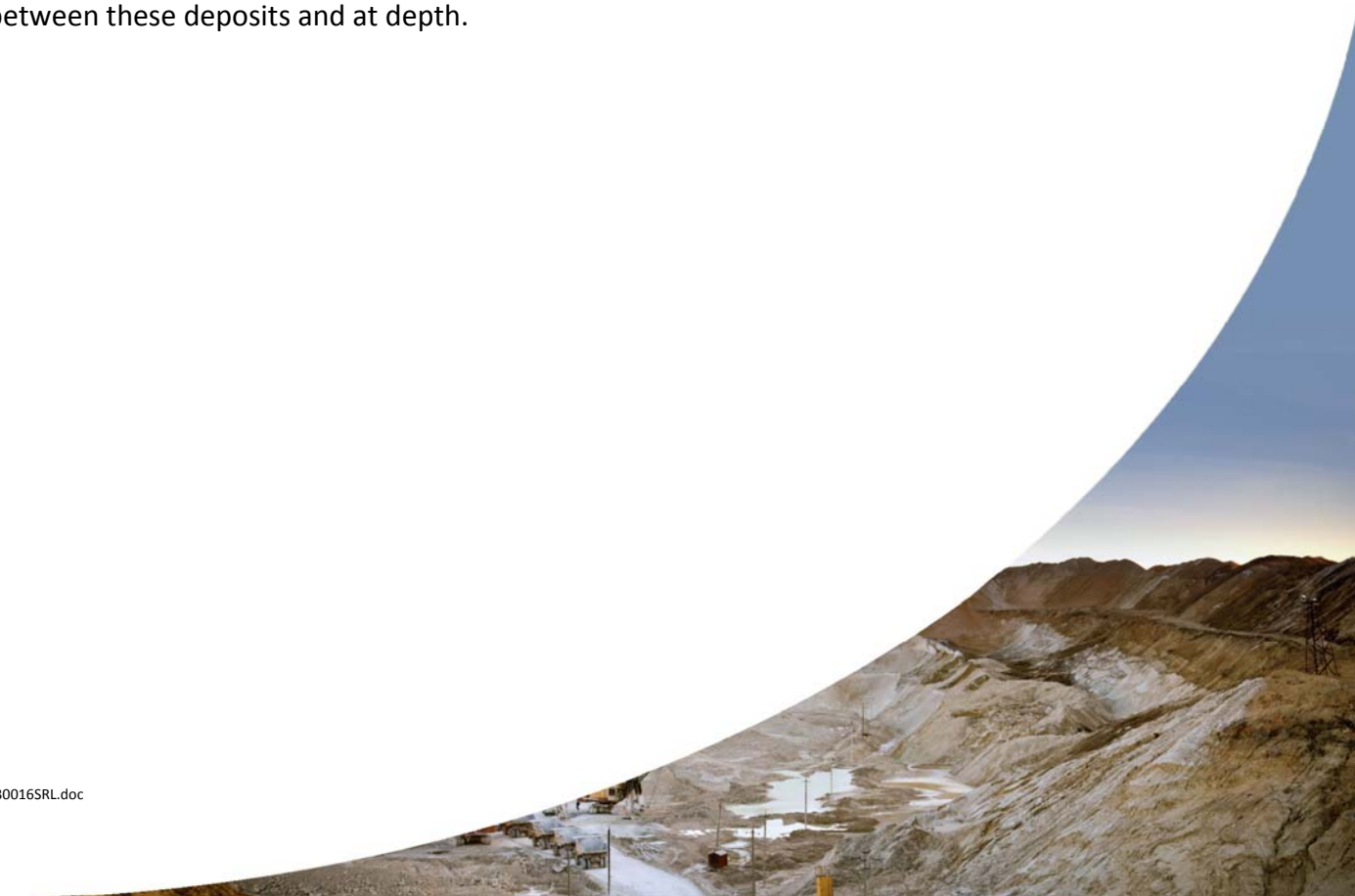


Figure 2: Three Dimensional Model Demonstrating that all Deposits are Open Down Plunge

High Contained Tin Zone Identified

Figure 3 shows the two dimensional distribution of tin mineralisation above 10 metre percent (tin intersection length multiplied by tin grade) in purple for the Severn and Montana deposits. While this zone is widespread, in Severn, drill intersections indicate there is a greater thickening along the upper edge of the deposit. Diamond drill hole ZS113 illustrates this point best with an intersection of 42 metres grading 1.11% tin.

Montana also has a zone of high grade tin mineralisation along its eastern edge. This part of Montana is within 150 metres of Severn and highlights the untested exploration potential between these deposits and at depth.



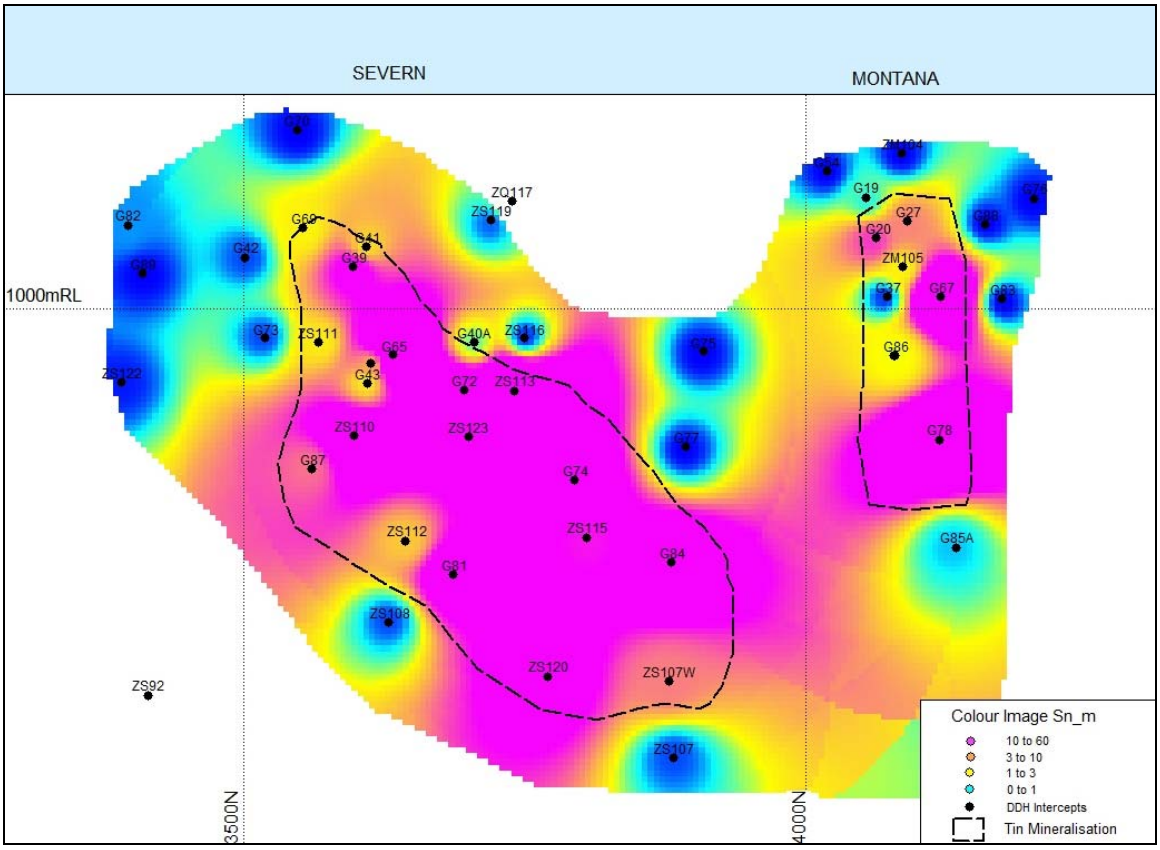
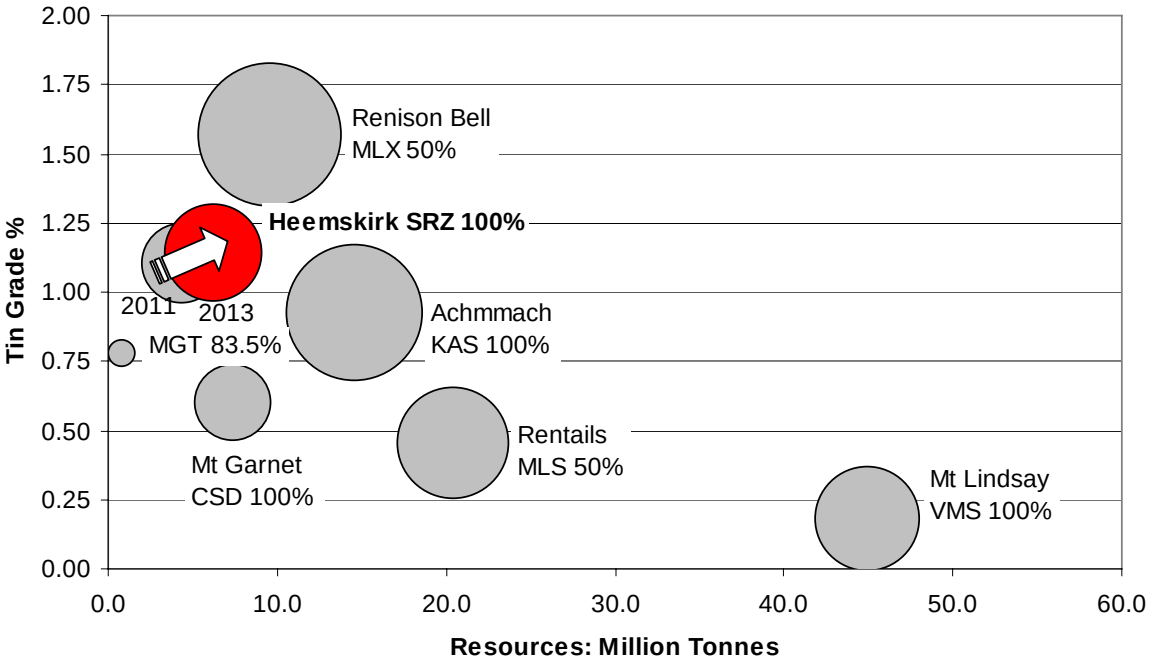


Figure 3: Metre Percent Tin Distribution Across Severn and Montana

Moving in the Right Direction

The size of the red Heemskirk Tin "bubble" on the grade-tonnage bubble chart in Figure 4 reflects the 49% increase in contained tin in the new Mineral Resource. It is now similar in size to Mt Lindsay and Rentails and has moved up to be 60% of the contained tin resource at Renison Bell.

Furthermore, the Heemskirk bubble has moved upward and to the right reflecting the impact of higher grade and tonnage on the resource estimate. Heemskirk remains the highest grade undeveloped tin resource amongst the ASX listed tin explorers and developers. The only resource that has a higher position is the producing Renison Bell mine which is located 18 kilometres from Heemskirk and has operated for 60 years. Geological comparison between the Heemskirk deposits and Renison Bell shows many similarities.



Source: Company presentations

Figure 4: Grade Versus Tonnage Bubble Chart, ASX Listed Tin Resources

APPENDIX 1

Tim Callaghan – Resource and Exploration Geology

TECHNICAL MEMORANDUM

HEEMSKIRK TIN DEPOSIT – RESOURCE ESTIMATION METHODOLOGY, FEBRUARY 2013

The Heemskirk Tin deposits are Devonian Granite related cassiterite-pyrite-pyrrhotite-basemetal stockwork and replacement style deposits hosted in Proterozoic and Cambrian sediments and volcaniclastics. The stratabound mineralisation is structurally controlled on fold/fault dilation zones between lithologies of contrasting rheology. The vast majority of tin occurs as cassiterite with minor stannite and basemetal sulphides located towards the top and periphery of the deposits. Three steeply dipping and moderately plunging tabular deposits have been delineated over an area of 600m by 500m to 500m depth, the Severn, Queen Hill and Montana deposits. The Severn and Queen Hill deposits strike mine grid north-south and plunge moderately north. The Montana deposit strikes east-northeast with dip between steeply south and vertical. Mineralisation in all deposits remains open down plunge and at depth (Figure 1).

The Heemskirk Tin resource estimation is based on 100 historic diamond drill holes totalling 25,537.7m and 35 recent diamond drill holes totalling 10,428.5m. Drill core was analysed at commercial laboratories for a range of elements by fused disc and pressed powder XRF. SG was measured using a combination of pynctometer and the Archimedes method on drill core samples.

Geological domaining was based on a 0.4% Sn boundary on mineralisation demonstrating sectional continuity within a broader zone of low grade Sn mineralisation. The domains are considered geologically robust in the context of the classification applied to this estimate.

Block-modelled Sn, S, acid soluble Sn[1] and SG for the Severn and Queen Hill resources were estimated using an ordinary kriging algorithm. Block-modeled Sn, S, acid soluble Sn and SG for the Montana resource was estimated using an inverse distance squared algorithm. The estimation was validated by visually checking the interpolation results against drill hole data in plan and section, comparing input and output statistics and comparing with previous estimates. The estimate is considered to be robust on the basis of the above checks.

Classification of the Heemskirk Tin Deposits takes into account data quality and distribution, spatial continuity, confidence in the geological interpretation and estimation confidence.

The estimated resource, reported above a 0.6% Sn cut-off as Inferred and Indicated Resource in accordance with the 2012 edition of JORC Code is listed in Table 1.

[1] Acid soluble Sn measures Sn sulphide mineralisation (stannite)

Table 1. Heemskirk Tin Deposit Indicated and Inferred Resource, 0.6% Sn cut off.

Classification	Deposit	Mtonnes	Sn %	Sn tonnes
Indicated Resource	Queen Hill	1.41	1.26	17,790
Total Indicated Resource		**1.41**	**1.26**	**17,790**
Inferred Resource	Queen Hill	0.19	1.63	3,090
	Severn	4.17	0.98	40,900
	Montana	0.51	1.91	9,710
Total Inferred Resource		**4.87**	**1.10**	**53,710**
Total Resource		**6.28**	**1.14**	**71,500**

Note: tonnes have been rounded to reflect the relative uncertainty in the estimate.

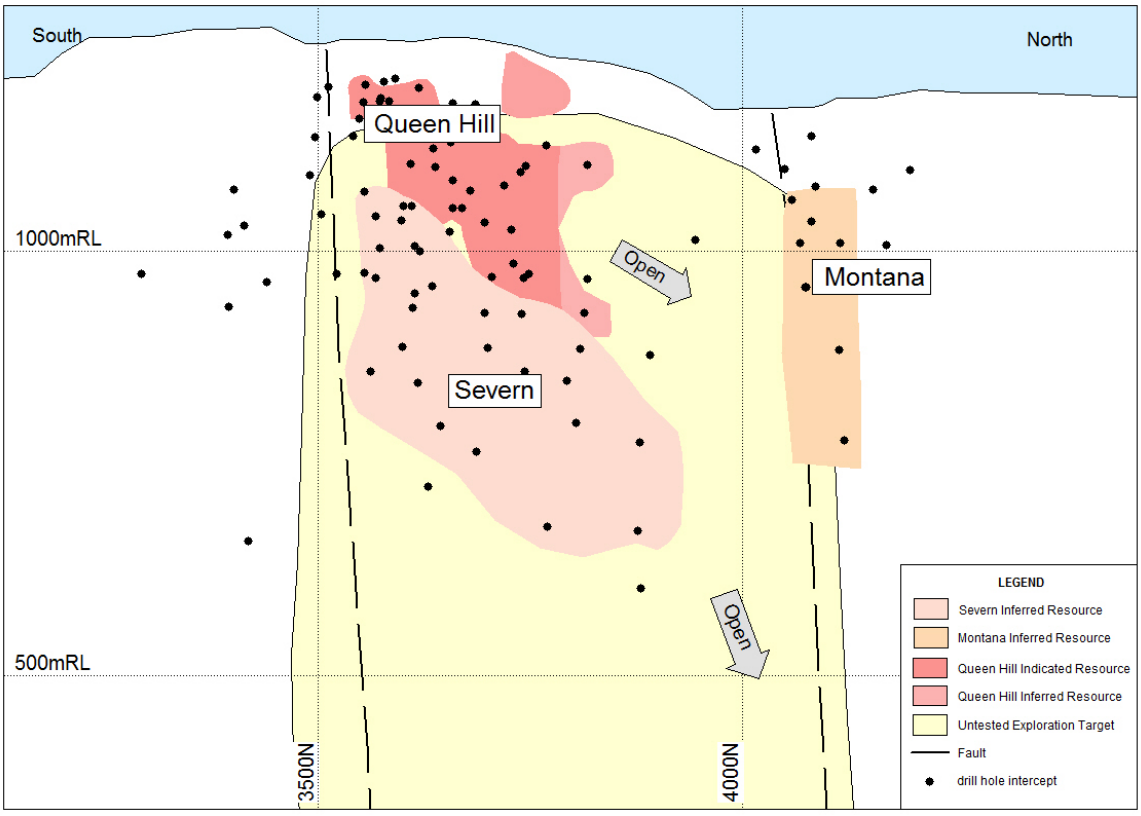


Figure 1. Heemskirk Tin Project Long Projection

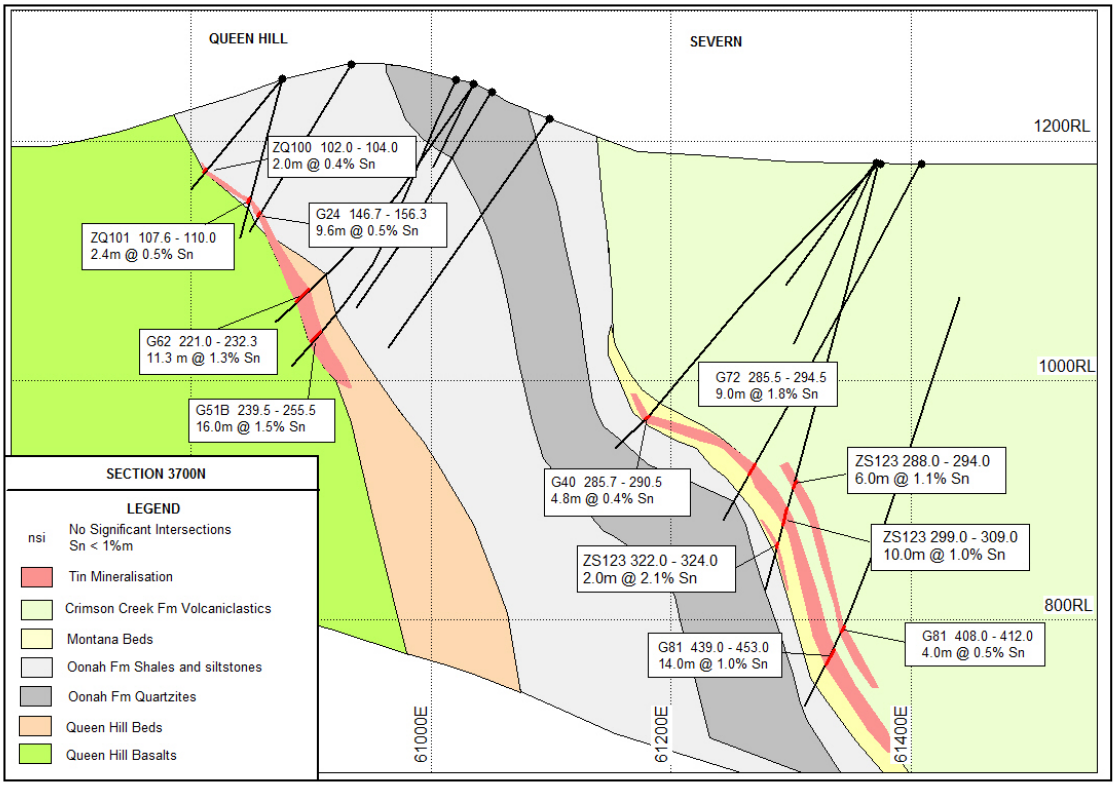


Figure 2. Cross Section 3700N

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 of Resource and Exploration geology, who is a Member of The Australian 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 it appears.

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