



Heemskirk Tin Project - Tasmania

CEO Peter Blight

February 2012



Corporate



ASX Code:	SRZ (listed April 2005)
Shares on Issue:	191.5M
Share Price:	8.3c (12 month range: 4-24c)
Market Capitalisation:	\$16M
Cash:	\$4.0M (Feb 12)
Investment:	\$0.6M (USA shareholding)

Ownership Structure

Top 20	67%
Gippsland Ltd	23%
RCF	15%
Other Institutional	4%
Private Investors	58%

Board & Management

Phil Harman – Non-Executive Chairman
Tom Burrowes – Non-Executive Director
Dr David Isles – Non-Executive Director
Dr Tom Whiting – Non-Executive Director
Peter Blight – Chief Executive Officer
Chris Kemp – Company Secretary

Focused on tin

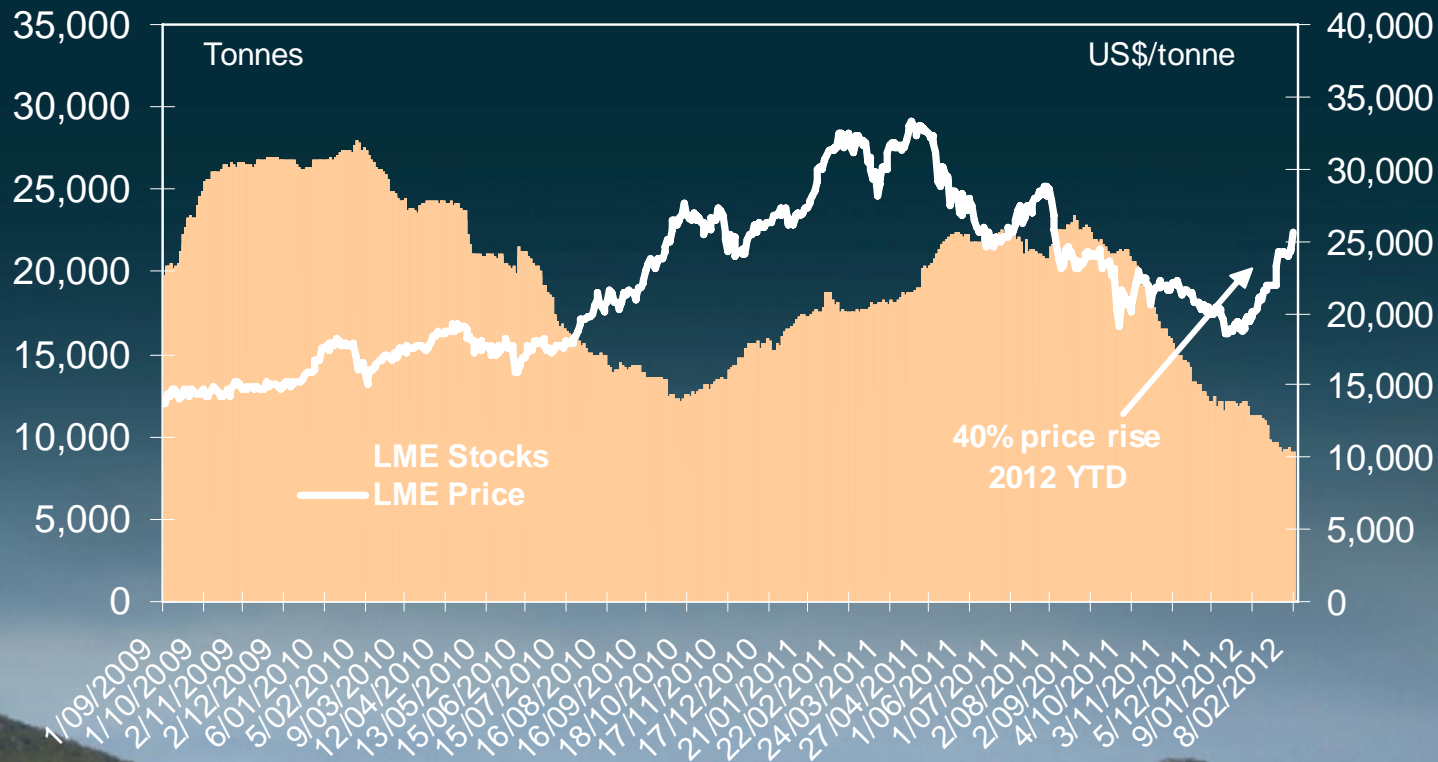
- ❑ Rapidly advancing Heemskirk Tin near Zeehan, Tasmania – single commodity - single project focus
- ❑ Established mining region
- ❑ Good historical drilling data base
- ❑ Potential to discover blind deposits
- ❑ Mining and environmental scoping are positive
- ❑ Project target: production by early 2015

Simplifying Ownership Structure



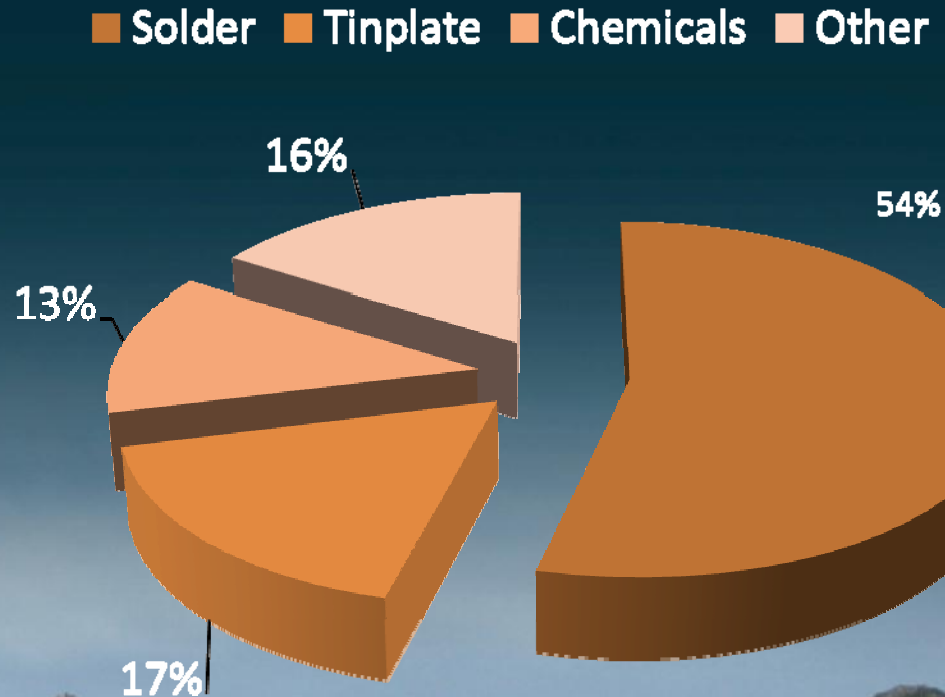
- ❑ **Historical JV – 60% Stellar, 40% Gippsland with Stellar as operator**
- ❑ **Stellar acquired Gippsland's 40% for 43.5 m Stellar shares and a royalty**
- ❑ **Simple share transaction with no changes to Stellar board or focus**
- ❑ **100% ownership allows Stellar to control program through to production**
- ❑ **Ownership impediments to financing, feasibility and development removed**

Tin prices recover strongly



- Tin demand expected to rise to 362,000 tonnes in 2012
- Supply shortfall for 5 of last 6 years
- LME stocks have declined to minimal level
- Strong price recovery to US\$25,000/tonne since Dec 2011

Growth dominated by solder



Source: ITRI

Tin recycling is becoming more important, particularly in China, and now represents 22% of global demand

Where is tin mined?



Rest of the World 10kt
Total World Primary Tin Production 286kt

Not enough in ITRI project list

Company	Project	Country	Capacity
Minsur	San Rafael tailings	Peru	7,500
Syrymbet	Syrymbet	Kazakhstan	6,500
Kasbah Resources	Achmmach	Morocco	5,600
Amerilangui Ujin	Narsiin Khundlen	Mongolia	5,200
TMR Ltd	Offshore dredges	Indonesia	5,000
Metals X	Rentails	Australia	4,000
Stellar Resources	Heemskirk	Australia	4,000
Venture Minerals	Mount Lindsay	Australia	3,700
PT Timah	Deep Offshore Dredges	Indonesia	3,600
Consolidated Tin Mines	Mt Garnet	Australia	3,200
Adex Mining	Mount Pleasant	Canada	3,200
Deutsche Rohstoff	Gottesberg	Germany	3,000
Yunnan Tin	Wuchangping	China	3,000
Sinchi Wayra	Colquiri tailings	Bolivia	2,700
Silver Standard	Pirquitas	Argentina	2,500

Total 62,700

Source: ITRI

Great location - multiple deposits



- Heemskirk tin project and St Dizier tin deposit 100% owned
- Significant mining district
- Easy access to water & power
- Sealed road between both deposits
- Rail & road connect to Burnie port
- 18 km from Australia's largest tin mine Renison Bell

High Grade Resource

- Heemskirk Mineral Resource 4.4mt grading 1.1% tin 48kt of contained tin in 3 nearby deposits
- Queen Hill, 1.6Mt @1.2% tin as indicated resource
- All deposits open at depth
- Highest grade tin project with JORC resource

Heemskirk Mineral Resource									
Deposit	Indicated			Inferred			Total		
	kt	% Sn	kt Sn	kt	% Sn	kt Sn	kt	% Sn	kt Sn
Queen Hill	1,600	1.2	19				1,600	1.2	19
Montana				360	1.6	6	360	1.6	6
Severn				2,400	0.9	23	2,400	0.9	23
Total	1,600	1.2	19	2,760	1.0	29	4,360	1.1	48

cut-off grade 0.6% tin

estimated on 3 March 2011 by Mining One Pty Ltd

Positive Metallurgy

- ❑ Traditional high-sulphide tin ore processing circuit proposed – comparable with Renison Bell circuit
- ❑ Tin present as cassiterite rather than more difficult to treat stannite
- ❑ Pre-concentration works well
- ❑ Mineral characterisation shows potential to produce 50% tin concentrate at 70% recovery
- ❑ Test work is on-going

Scoping study greenlight

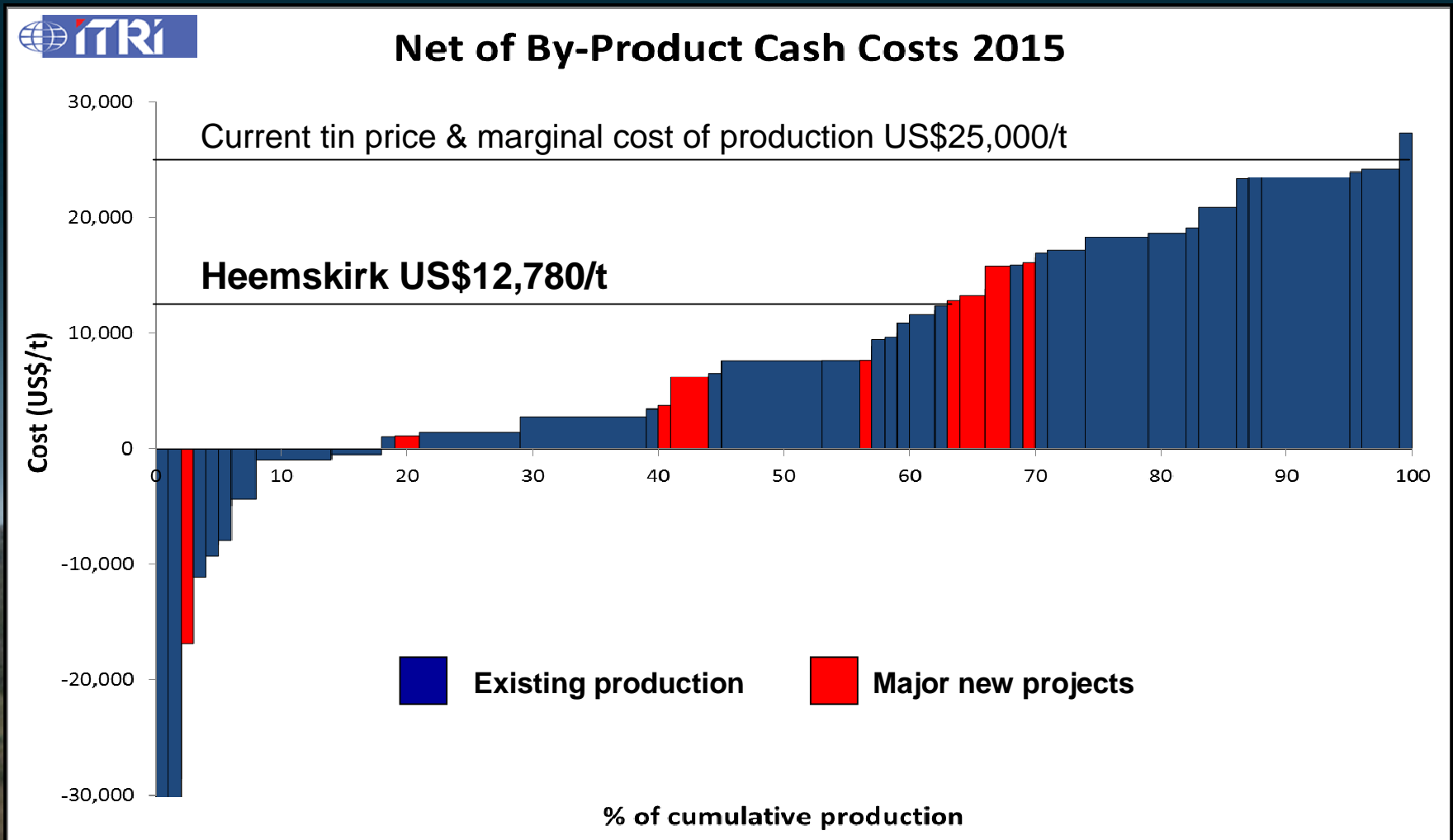
- ❑ Internal rate of return of 21% & 3.5yr payback advance project to pre-feasibility stage
- ❑ US\$12,780/t cash cost positions project competitively on the industry cost curve
- ❑ Life of mine revenue of \$673 million net of smelter charges
- ❑ 600,000 tpa throughput over 7.6 years provides economies of scale
- ❑ 3,900 tpa of tin in concentrate production ranks project as 2nd in Australia to Renison Bell

Conservative project assumptions

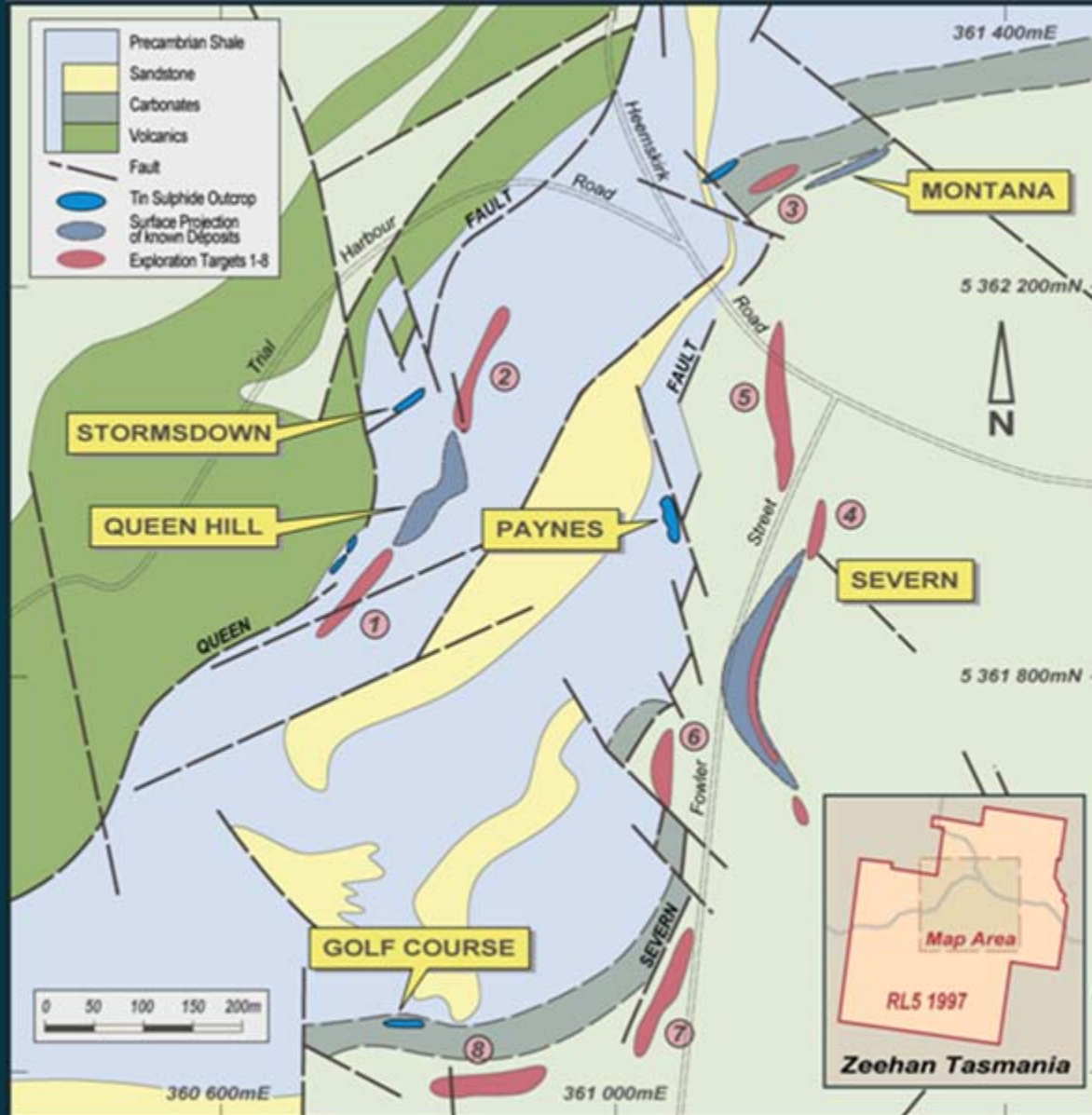


Parameter	Units	Assumption	Comment
Mine life	years	7.6	minimum life
Mining dilution	%	15	typical for underground mines
ROM grade	%	0.93	average resource grade is 1.1%
Treatment rate	tpa	600,000	drawing from all three deposits
Recovery	%	70	target rate
Tin in concentrate	tpa	3,900	average annual production rate
Concentrate grade	%	50	typical grade
Tin price (net)	US\$/t	22,500	net of 10% smelting charge
Exchange rate	US\$	1.00	
Operating cash cost	US\$/t tin	12,780	43% operating margin
Capital cost	US\$m	108	pre-production capital

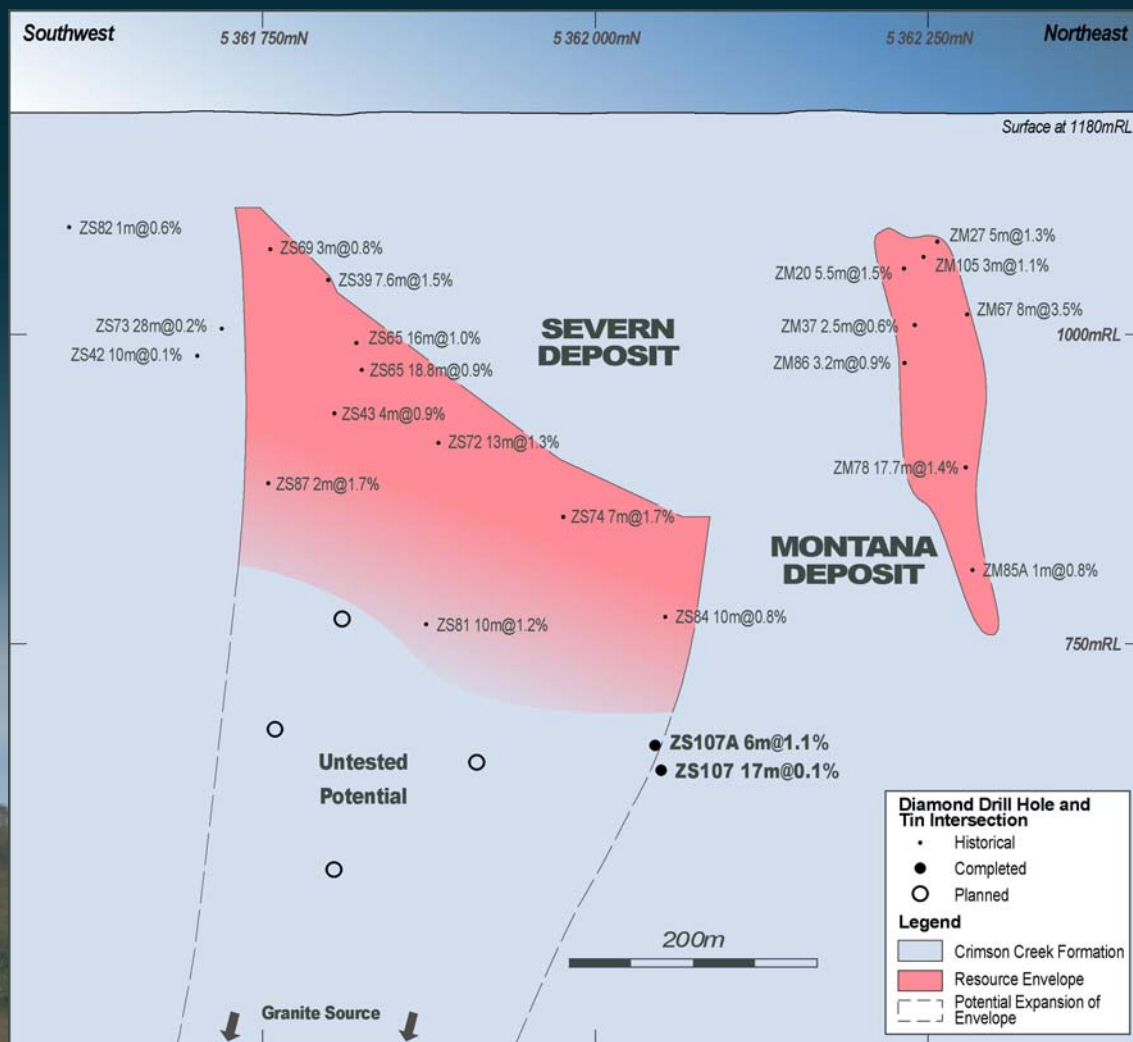
Competitive cost structure



Excellent exploration potential



Severn Long Section

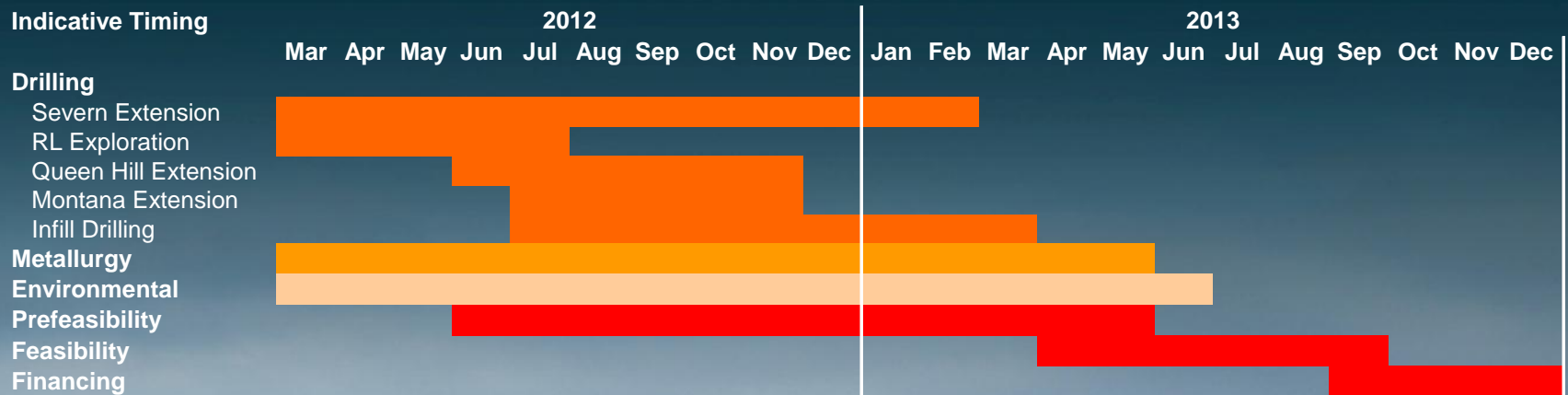


ZS107A shows that high grade continues at depth

Feasibility Program



Indicative Timing



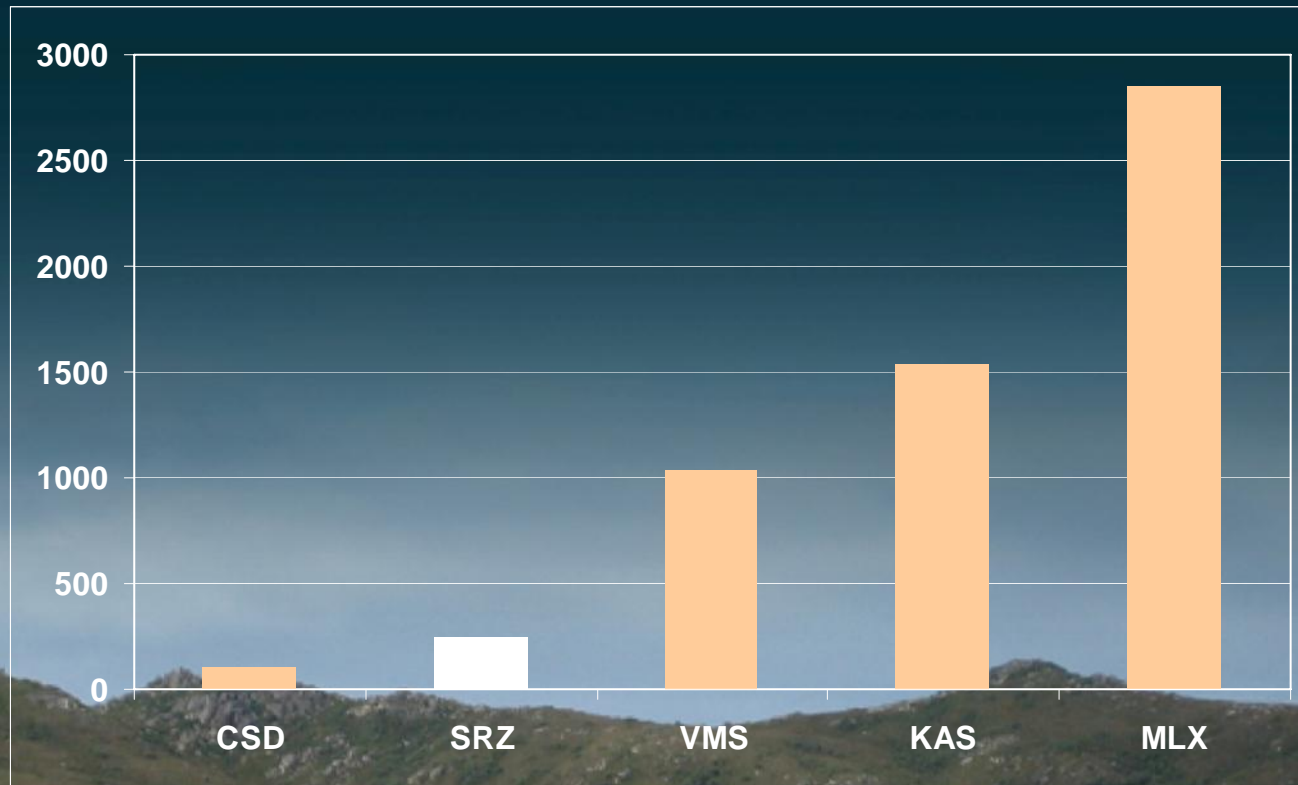
How does Heemskirk compare?



- ❑ **Advanced tin project**
- ❑ **Positive scoping study adds momentum**
- ❑ **Highest grade tin project with JORC resource**
- ❑ **Excellent exploration potential on tenement**
- ❑ **Project located near mining infrastructure**
- ❑ **Well positioned to smelters in SE Asia & China**

Low Cost Opportunity

Enterprise Value per Tonne Tin in Resources (\$/T)



- Opportunity for re-rating & share price upside

Disclaimer



Forward Looking Statement

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Competent Person's Statement

The drill and exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr R.K. Hazeldene who is a Member of the Australasian Institute of Mining and Metallurgy. 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 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2004 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.

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