

# Stellar Resources

## ASX Announcement



23 March 2017

### Diamond drilling to commence at Heemskirk Tin

The Board of Directors of Stellar Resources Limited (ASX: SRZ, “Stellar” or the “Company”) is pleased to update shareholders and investors with plans to commence drilling at its high-grade Heemskirk Tin Project, following a successful capital raising. Heemskirk is located on the west coast of Tasmania within 18 kilometres of Australia’s oldest and largest tin mine Renison Bell.

The first stage of a planned 9,000m program involves 9 diamond drill holes for a total of 3,000m. The aim of the first stage is to upgrade the Lower Queen Hill tin deposit (LQH), provide samples for metallurgical and environmental testing and to identify opportunities for further resource expansion.

The LQH drilling program is scheduled to commence in the second week of April and will take approximately six months to complete. In preparation for the program Stellar has:-

- gained approvals from Mineral Resources Tasmania for all LQH diamond drill holes;
- selected a Tasmanian based diamond drilling company following a competitive tendering process;
- selected an earth moving company for drill site preparation; and
- completed a review of structural geology to optimise drilling direction.

Logistics planning is currently underway to ensure that drilling commences on time.

“Timing of the commencement of drilling at Heemskirk could not be better. Diamond drilling rates are extremely competitive, the tin price is in the early stage of recovery and Heemskirk will be one of the few tin projects generating strong news flow from drilling” said Stellar’s Managing Director Peter Blight.

“The full 9,000m diamond drilling program will generate news over the next 12 months and will target higher grade zones and structures that have the potential to upgrade the mineral resource” he added.

*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.*

#### Issued Capital

Shares: 374,513,489  
Share Price: A\$0.033  
Market Cap: A\$12.3million

#### Commodity

Tin Price: US\$20,505/t  
Exchange Rate US\$ 0.77

#### Main Shareholders

European Investors 19.7%  
Capetown SA 16.7%  
Resource Capital Fund 9.6%

#### 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

ABN 96 108 758 961  
Level 17, 530 Collins Street  
Melbourne Victoria 3000  
Australia

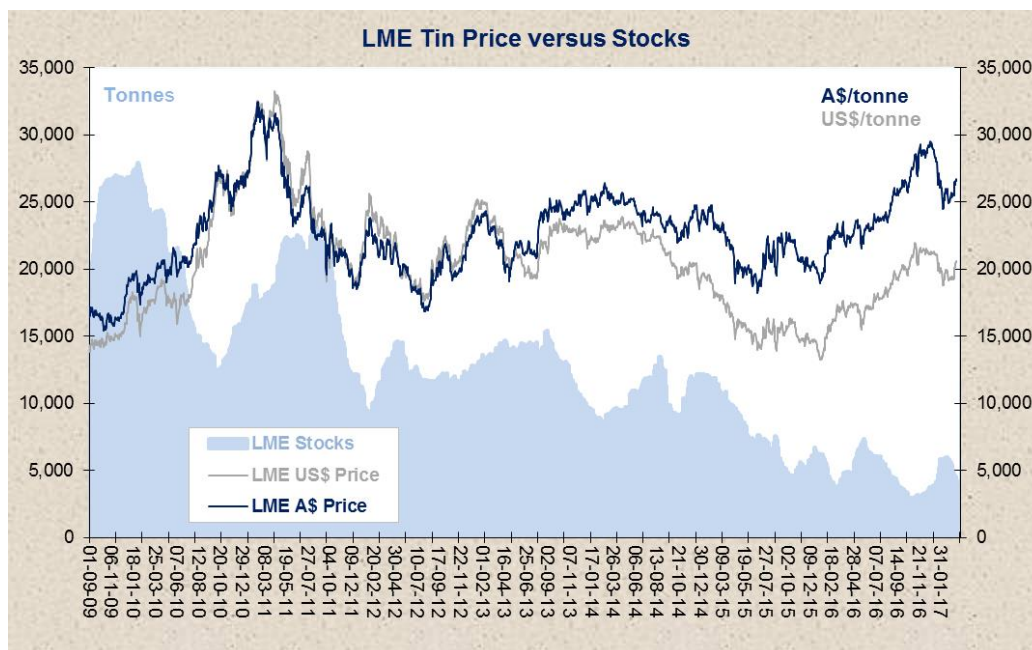
Telephone +61 3 9618 2540  
Facsimile +61 3 9649 7200

[www.stellarresources.com.au](http://www.stellarresources.com.au)



## Tin Market Update

After rising strongly to a high of US\$21,950/t in early November 2016, the tin price retraced some of this gain over December and January, falling back to a US\$18,995/t on 7<sup>th</sup> February 2017. Consolidation of the tin price in February has led to a rally in March to US\$20,505/t and early signs of a return to its rising trajectory.



News flow in the tin market remains positive for price.

- Since 17th February 2017, LME tin stocks have reversed a rising trend and declined by 34% or 2,030t to 3,965t. Tin stocks on the Shanghai Future Exchange were also down in February, falling by 25% to 2,414t. As the chart above shows, LME stocks remain at historically low levels.
- Chinese customs statistics show that imports of tin ore from Myanmar declined by 57% in January 2017 to 31,359 tonnes from year ago levels. According to the International Tin Research Institute, the decline may be due to an earlier Chinese new-year holiday than in previous years. China is the world's largest refined tin producer with estimated output of 160,000t in 2016.
- Indonesia's ICDX market showed a decline in traded tin from 6,815t in January to 4,810t in February 2017. As all tin destined for export must pass through the ICDX, the decline in February trade suggests that smelter production has declined – possibly due to a shortage of concentrate according to ITRI. Indonesia is the second largest producer of refined tin in the world with estimated production of 66,000t in 2016.

For further details please contact:

Peter Blight  
 Managing Director  
 Stellar Resources Limited  
 Tel: 03 9618 2540  
 Email: [peter.blight@stellarresources.com.au](mailto:peter.blight@stellarresources.com.au)

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



## Competent Persons Statement

*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, who is a Member of the Australasian Institute of Mining and Metallurgy ("AusIMM"), has a minimum of five years' experience in the estimation, assessment and evaluation of Mineral Resources of this style and is a Competent Person as defined in the JORC Code. This announcement accurately summarises and fairly reports his estimations and he has consented to the resource report in the form and context in which it appears.*

*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 an employee 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. 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.*

