



STELLAR RESOURCES LIMITED

Heemskirk Tin Project

Pre-Feasibility Study Progress Update



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TABLE OF CONTENTS

1.	HEEMSKIRK TINE PRE-FEASIBILITY STUDY	4
1.1	Tasks Completed or Commenced	4
1.2	Status	5



1. HEEMSKIRK TINE PRE-FEASIBILITY STUDY

1.1 Tasks Completed or Commenced

The pre-feasibility study (PFS) for the Heemskirk Tin Project commenced in August 2012 and has been progressing at a steady pace.

Since commencing the PFS, GRES has utilised testwork conducted by the client to define, along with Asther Pty Ltd, (the client's metallurgist consultant) the process and plant design for the Heemskirk Tin Project.

The definition process takes the metallurgical testwork and produces a project design criteria that best represents the full scale operation of the process plant. These key design parameters produce the following project documents:

- Process design criteria;
- Process flow sheets;
- Mass balance;

Some of this data still remains in a preliminary state and parts of the flow sheet are still to be fully defined, however GRES has used this information along with industry experience to define the key equipment selections for the process plant, including the following:

- Major mechanical equipment list;
- Process plant layout (Preliminary);

Using this information and an internal data base of projects that have been designed and constructed recently by GRES, the following FS deliverables have been able to be completed to a preliminary state:

- Take-offs for structures and concrete;
- Take-offs and sizing of major pipelines;
- Process pumps and tanks sizing and selection;
- Major equipment tenders for some items, establishment of data base inputs for minor items;
- Capital costs;
- Operating costs;

At the time of writing this update the FS report is at a stage of being 45 to 50% complete in terms of GRES deliverables with a number of sections of the report nearing completion.

In addition to undertaking the FS deliverables the following activities have been completed by GRES during the FS period:



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- Attended client meetings and site visits;
 - Tailings storage facility consultant co-ordination and location selection;
 - Preliminary power supply discussions and co-ordination;

The coming month will see the completion of all major FS inputs and the completion of a draft report that will undergo internal review and discussions with Stellar Resources.

1.2 Status

The PFS is scheduled to be completed during June 2013 and at this point in time remains on schedule for that timing.