



STELLAR RESOURCES LIMITED
Columbus Metals Ltd

RL 5/1997 ZEEHAN
ANNUAL REPORT FOR THE PERIOD
20 MAY 2014 – 19 MAY 2015

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ABSTRACT

This Annual Report for RL 5/1997, Zeehan, covers the period from 20 May 2014 to 19 May 2015.

Retention Licence 5/1997 encompasses an area of 6 km² on the western outskirts of Zeehan Township, in NW Tasmania. It covers the historic Queen Hill, Severn and Montana deposits, which form the Heemskirk Tin Project. The deposits are located under or adjacent to Queen Hill immediately northwest of Zeehan.

Exploration from the 1960's through until the mid 1980's identified significant tin mineralisation associated with, and under, old lead/silver deposits mined in the late 1800's and early 1900's. In 1983 the resource estimate for the three deposits, based on 23,000 metres of drilling, was 3 million tonnes of ore (>0.1%Sn cut off) grading 0.7%Sn and 10.9 g/t Ag. Due to depressed tin prices and corporate matters no significant work was undertaken on the project between 1990 and 2009.

Stellar Resources Ltd, through its subsidiary Columbus Metals Ltd, purchased a 60% interest in the 'Gippsland Joint Venture' from Western Metals Ltd early in 2008, thus forming a joint venture with the other party, Gippsland Limited. In Feb 2012 Stellar purchased Gippsland Ltd.'s 40% holding for cash and shares. Stellar now has 100% ownership of the licence, with Gippsland Ltd being entitled to a royalty on tin production when the LME tin price exceeds \$25,000/tonne.

During 2010 Stellar drilled 6 diamond drill holes, totalling 585m into the near surface portion of the Queen Hill Deposit. Core from this program provide material for on going metallurgical test work. The results from the drilling, together with historical drilling data, was used by consultants, Mining One, to calculate the first JORC compliant resources estimate for the Heemskirk Tin Project.

Drilling in 2011 comprised three diamond drill holes into the edges of the Queen Hill Deposit, two holes into the Stormsdown Prospect, three holes into the Montana Deposit and one hole with a wedged daughter hole under the Severn Deposit. Drilling was suspended during negotiation for the purchase of Gippsland's interest in the project but recommenced in March 2012 at the Severn Deposit.

During 2012/13 Stellar drilled 17 diamond drill holes, including 3 wedged daughter holes, at Zeehan, totalling 5,730m. 10 holes (including 2 wedged holes) were drilled into the Severn deposit, 3 holes (including 1 wedged hole) into the Queen Hill deposit and 4 holes targeted proximal geophysical targets.

In February 2013 T. Callaghan, of Resource and Exploration Geology, carried out revised computer modelling of the three deposits utilising all the drill data to that date. Based on this he completed a new JORC compliant resource estimate of the project (refer to Table 1).

In mid 2013 Stellar drilled 2 holes, comprising one parent (ZM-126) and one wedged daughter hole (ZM-126W) into the Montana deposit. Drilling recommenced in March 2014. Four holes (ZQ127, ZQ128, ZQ129 & ZQ129W) were drilled into Queen Hill and two holes (ZG130 & ZG131) into the Golf Course Prospect.

Metallurgical studies have continued throughout the years to define the optimum procedure to treat the various ore types at the project. Over the last year these studies have focussed on the Severn mineralisation.

Consultants, GR Engineering Services and Mining One, completed a Pre-Feasibility Study of the project incorporating the latest resource model and metallurgical data late in 2013. Mining consultants Polberro Consultants have recently reviewed and updated the mining study.

Stellar is currently conducting a thorough geological review of the project. The review comprises mineralogy and micro structural studies, core relogging and structural studies. The review is ongoing.

Stellar was granted mining lease ML 2M/2014 over the proposed Heemskirk Tin Project tailings dam site at Mathers, east of Zeehan by the MRT in February 2015. A Notice of Intent (NOI) was also lodged with the EPA for the project and in response Stellar has been issued guidelines for a Development Plan and Environmental Management Plan (DPEMP).

Stellar Resources exploration expenditure on RL 5/1997 during 2014/15 totalled \$1,444,095.00

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1. INTRODUCTION

1.1. EXPLORATION RATIONALE

RL 5/1997 covers the Heemskirk Tin Project, which comprises the structurally controlled cassiterite-sulphide Queen Hill and Severn lodes and stockworks, and the Montana massive sulphide carbonate replacement (Renison style) deposit. All the known tin deposits remain open at depth, with other exploration targets remaining to be tested.

Mineralisation continues below the base of the existing drilling at all deposits. It has been demonstrated that cassiterite grain size increases with depth, as does pyrrhotite content, with both grade and metallurgical amenability expected to improve as a result.

All of the deposits are believed to be located above a deep-seated Devonian granite stock. It is likely that beneath the limit of existing drilling, which has reached 600m depth, there is a considerable amount of prospective host rocks and structures above, and/or adjacent to the granite.

During 2010/11 work focussed on infill drilling at Queen Hill to obtain samples for metallurgical testing and exploration for near surface extensions to the known mineralisation at Queen Hill, Stormsdown and Montana. During 2011/12/13 exploration activity focused on the Severn deposit, both infill drilling and testing extensions to the known mineralisation. Other targets defined by a detailed low level magnetics survey carried out in March 2012 were also drill tested.

Studies carried out during the 2013/14 year included on-going metallurgical test work on the Queen Hill and Severn mineralisation, on-going environmental studies. GR Engineering Services and Mining One Consultants completed a prefeasibility study based on the resource revision completed in 2013 by Resource & Exploration Geology. The 2012/13 drilling program was completed in August 2013 with the drilling of 2 holes into the Montana Deposit. Drilling recommenced in March 2014 with 4 holes drilled adjacent to (ZQ127 & ZQ128), and down plunge of (ZQ129 & ZQ129W) the Queen Hill Deposit. Drill holes ZQ129 & ZQ129W extended the Queen Hill Deposit 150m down plunge. Two holes, ZG130 & ZG131, were drilled into the Golf Course Prospect during the reporting period.

Work is proceeding on refining the metallurgical treatment process and mining methods for the Heemskirk Tin Project. Permitting activities are also proceeding with the granting of ML 2M/2014 over the proposed tailings storage facility site at Mathers, east of Zeehan, and the submission of a Notice of Intent (NOI) to the EPA. The EPA has responded with Development Proposal and Environmental Management Plan (DPEMP) Guidelines.

1.2. GEOLOGICAL SETTING

The oldest rocks at RL 5/1997 are the Montans Volcanics and the Queen Hill Quartzites, a sequence volcanics and sediments equivalent to the Neoproterozoic Oonah Formation, the oldest stratigraphy in the Zeehan area. These are predominantly quartzites with some interbedded arenaceous siltstones and shales. The upper part of the Oonah Formation is predominantly pelite and/or carbonate, including some evaporites, mafic volcanic rocks and conglomerate.

Overlying the Oonah Formation rocks is a sequence of Precambrian dolomites, carbonaceous pyritic slates and minor volcanics equivalent to the Success Creek Group. This group comprises reddish brown siltstones with intercalated limestone's and dolomite being referred to locally as the Poverty Point Beds. These beds correlate to that part of the Success Creek Group, which hosts the Renison replacement tin deposits. The Success Creek Group rocks are overlain by the Cambrian Crimson Creek Formation, comprising basal pyroclastic volcanics overlain by a sequence of greywackes and argillites with minor tuffaceous slates and grits.

Ordovician Gordon Limestone crops out north east of Queen Hill while Siluro-Devonian Eldon Group sandstones and siltstones underlie most of the Zeehan town site. The Devonian Heemskirk Granite outcrops 7 kilometres west of Zeehan, forming Mt Agnew and Mt Heemskirk, with a ridge of granite believed to extend beneath Queen Hill at depth.

At Zeehan the Oonah Formation and the Success Creek Group both host vein and replacement tin deposits. Tin mineralisation within the dolomitic Poverty Point Beds at Montana is of cassiterite-sulphide replacement style. Mineralisation at Severn may be similar, being due to smeared-out Poverty Point carbonates along the Severn Fault. Refer to Figure 5.

1.2.1. Structure

The structure of the rocks at Queen Hill is complex with intense folding and faulting at all scales. The deformation is thought to be due to the Tabberabberan Orogeny. Broadly the Zeehan tin deposits are associated with the wide hinge zone of the northwest trending Heemskirk Anticlinorium, which is thought to have been the focus of the intrusion of the Heemskirk Granite at depth in this area.

Two major Devonian deformational events are recognised in the project area. The initial D_1 event is expressed as moderately doubly plunging NE-trending tight to isoclinal folds with weak fabric development. The D_2 event produced upright, generally SE-plunging folds with moderate to strong fabric development. A third structural event D_{2L} is recognised and overall these events produced six sets of faults in the sequence. The southern end of a major D_2 fracture zone between the D_2 Zeehan Syncline and the Heemskirk Anticlinorium appears to be the locus for a late stage intrusive phase of the Heemskirk Granite. Hydrothermal fluids emanating from, or around, this intrusive have focused along faults, shears and zones of fracturing. Where fluids reached reactive stratigraphy (i.e. sulphide, carbonate or volcanoclastic horizons) cassiterite-bearing iron sulphide bodies have developed. Intersection of the more ductile S2 and S3 sets provided the best sites for mineralisation, as evidenced by the Severn and Queen Hill deposits.

1.2.2. Mineralisation

Tin mineralisation at the Heemskirk Tin Project occurs as cassiterite and minor stannite in the three main deposits: Severn, Queen Hill and Montana, and at minor outcropping occurrences at Golf Course, Stormsdown and Poverty Point. The deposits are Renison Bell / Cleveland-type tin deposits in which granite-derived hydrothermal fluids, carrying tin, sulphur and other base metals, intruded along structural conduits and reacted with suitable lithologies, such as dolomite and carbonate rich volcanoclastic horizons, to precipitate generally sulphide-rich lodes containing cassiterite. Typical associated gangue minerals include pyrite, pyrrhotite, quartz, tourmaline, carbonates and fluorides. The granite source of the hydrothermal fluids has not been intersected in drill holes in the immediate project area, however based on geophysical evidence and the presence of rare felsic porphyry intrusives a granite stock is interpreted to lie some 900m below the present surface.

The predominance of pyrite over pyrrhotite is a significant point of difference between the Zeehan and Renison Bell deposits, however, at depth pyrrhotite becomes more abundant at Zeehan. In addition to the main high temperature tin-mineralising event, a later stage, cooler fluid event appears to have resulted in the formation of Pb-Zn-Ag sulphide lodes (Taylor's and Clarke's Lodes), which are not significantly tin-bearing. These lodes were the focus of early 20th century silver-lead mining activity.

In all the Zeehan deposits cassiterite occurs as fine grained (20 - 70 microns) disseminations in stockworks and masses of fine-grained gangue comprising siderite, chlorite, silica, pyrite and pyrrhotite. At Queen Hill there is also variable accessory stannite and base metal sulphides. Pyrite now forms about 30% of the sulphides but microscopy indicates that an original major pyrrhotite content has been replaced by pyrite and marcasite. This has resulted in only the pyrrhotitic core of the Severn deposit remaining magnetic. It has recently been discovered that a large portion of the siderite is also slightly magnetic.

The **Queen Hill Deposit** comprises a high-grade lens within a single larger lower grade envelope. These lenses are an upper lens, "the hanging wall lens"; relatively narrow (3 to 8 metres), essentially massive sulphide (pyrite dominant), replacement-type mineralisation, dipping at 50° to 80°, and "the lower lens", a wide composite zone containing narrow high-grade mineralisation. Significant tin mineralisation occurs in volcanics, clastic sediments and evaporites. The hanging wall lens is adjacent to a fault zone, which is coincident with Clarke's Ag-Pb lode. The mineralisation does not appear to be closed off at depth. The Queen Hill Deposit crops out weakly on the northwestern side of Queen Hill and is hosted by the Oonah Formation rocks.

The **Severn Deposit** occurs as several parallel, pseudoconformable lenses of bedding slip sulphide replacements and stockworks within a 130m wide drag zone in the hanging wall of the Severn Fault. The fault zone has an en-echelon shape resulting from the intersection of northwest and northeast trending fracture sets. The Poverty Point Beds appear to be displaced 500m across the Severn Fault zone by substantial strike slip movement. The resultant geometry of the tin mineralisation at Severn is tabular and is located close to, or at, the apparent angular unconformity between the Oonah beds and the Success Creek and Crimson Creek sequence. At 0.5% Sn cut-off the upper part of Severn deposit is narrow and has a short strike length, but is high grade. Both thickness and strike length increase with depth with the deposit being open at depth.

Montana is a high grade, stratiform carbonate replacement tin deposit comprising cassiterite and massive sulphides hosted by the Poverty Point Bed equivalents of the Success Creek Group, the Montana Beds. Montana is narrow near surface (2.5 to 5.0 metres) and has a strike length of approximately 80m. The upper levels were accessed historically to a depth of approximately 150m. The deepest intersection, in drill hole ZM126, 400m below surface, is 0.7% Sn over a width of 8m. The deposit is open at depth.

1.3. LICENCE

Tenement number: RL 5/1997

Tenement name: Zeehan

Tenement location: Located over the western side, and immediately west, of Zeehan Township, with main road access from the Heemskirk Road, the Zeehan Highway and the Trial Harbour Road, which passes generally through the centre of the licence (Figure 1). Numerous town roads and tracks traverse the licence area. The licence covers an area of 6km², which extends west from the council depot on the Zeehan Rivulet for 3.5 kilometres, past the golf course, and north for 3 kilometres from Manganese Hill to Montana Hill. The RL area is a mix of Crown Land and freehold land, including a large portion of the Zeehan Township.

The area comprises both cleared urban or farm land and regrowth forest after logging or burning. Refer to Figure 2.

Reporting period: 20 May 2014 to 19 May 2015.

Tenement holder: Columbus Metals Ltd., a wholly owned subsidiary of Stellar Resources Ltd.

LOCATION OF LICENCE

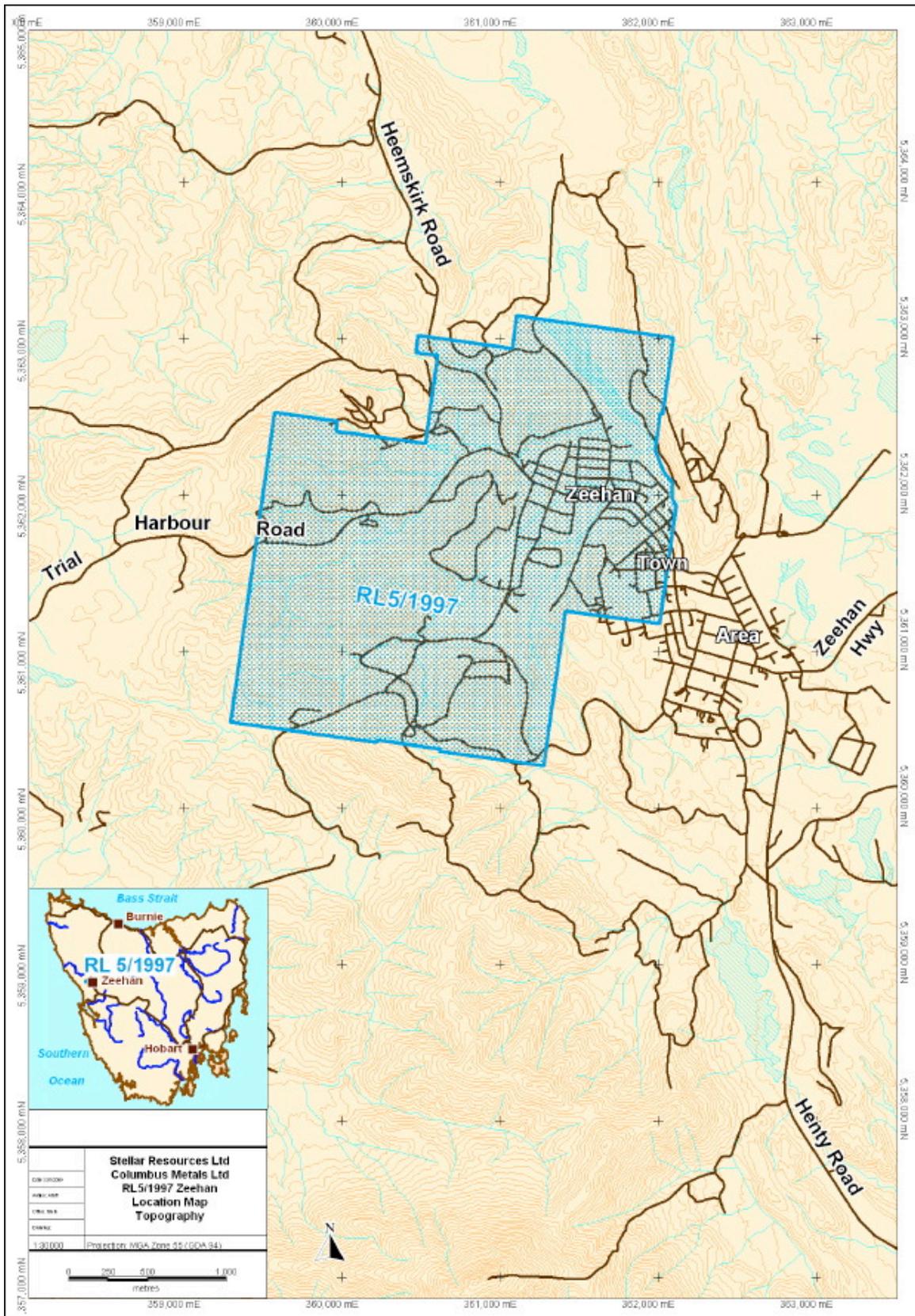


Figure 1. RL 5/1997, Heemskirk Tin Project: Location Map

1.4. LAND TENURE

1.4.1. Schedule

LAND DISTRICT OF MONTAGU
VICINITY OF ZEEHAN
MUNICIPALITY OF WEST COAST
RETENTION LICENCE 9705 6 SKM
COLUMBUS METALS

Datum: AGD66, Zone 55.

Commencing at the southwest corner at grid coordinates 359,180 metres E 5,360,366 metres N, thence northerly to 359,458 metres E 5,362,347 metres N, easterly to 359,857 metres E 5,362,291 metres N, southerly to 359,848 metres E 5,362,227 metres N, again easterly to 360,412 metres E 5,362,148 metres N, again northerly to 360,491 metres E 5,362,712 metres N, westerly to 360,352 metres E 5,362,731 metres N, again northerly to 360,368 metres E 5,362,840 metres N, again easterly to 360,962 metres E 5,362,757 metres N, again northerly to 360,991 metres E 5,362,965 metres N, again easterly to 361,981 metres E 5,362,825 metres N, again southerly to 361,913 metres E 5,362,335 metres N, again westerly to 361,898 metres E 5,362,337 metres N, again southerly to the Zeehan Rivulet at approximate grid coordinates 361,866 metres E 5,362,113 metres N, thence by that Rivulet in a general southeasterly direction to approximate grid coordinates 362,000 metres E 5,361,738 metres N, again southerly to 361,894 metres E 5,360,995 metres N, again westerly to 361,300 metres E 5,361,079 metres N, again southerly to 361,160 metres E 5,360,088 metres N, again westerly to 360,502 metres E 5,360,181 metres N, again northerly to 360,504 metres E 5,360,196 metres N, again westerly to 360,108 metres E 5,360,251 metres N, again southerly to 360,106 metres E 5,360,237 metres N, thence again westerly to the point of commencement.

The area excludes 4 ha of Crown Reserves. Refer to Figure 2.

1.4.2. Land Tenure

The area comprises: Crown Land and Private property.

NB: This land tenure table is a guide only.

EXCLUSIONS:

The area covered by this licence does not include:

- (a) All forms of mineral tenements including mining leases, retention licences and exploration licences, which were applied for or in force prior to the date of application for this licence.
- (b) Land exempt from the provisions of the *Mineral Resources Development Act 1995*.
- (c) Land reserved under the *National Parks and Wildlife Act 1970* including National Parks, Historic Sites, Nature Reserves, Game Reserves and State Reserves shown on the Schedule.
- (d) Crown reservations or other land set apart or dedicated for any public purposes such as public reserves, municipal reserves or roadways unless such areas have been brought under the provisions of the *Mineral Resources Development Act 1995*.

1.5. MINE GRID

Both the Queen Hill and the Severn deposits strike at approximately 67° relative to GDA 1994 (and AGD 66), which results in both cross sections and longitudinal sections of the deposits displaying with distorted grid line spacing. To remedy this situation, and following normal mine practice, the Zeehan Mine Grid (ZMG), oriented parallel to the deposits, has been established to cover the project area.

The base point for ZMG is survey station SPM9721 which has the following co-ordinates:

- AGD 66: 361,587.187mE, 5,361,806.945mN RL 174.667m AHD
- GDA 1994: 361,698.759mE, 5,361,989.755mN RL 174.667m AHD
- ZMG: 61,698.759mE 3,989.752mN RL 1,174.667m ML

The ZMG is a rotated planar grid oriented at 23 degrees to GDA94. Conversion factors are:

$$X \text{ ZMG} = ((0.92050485345244 * X_{\text{GDA}}) + (-0.390731128489274 * Y_{\text{GDA}})) + 1823849.603$$

$$Y \text{ ZMG} = ((0.390731128489274 * X_{\text{GDA}}) + (0.92050485345244 * Y_{\text{GDA}})) - 5073074.803$$

Levels in ZMG are recorded as MSL + 1000m.

An AMG : MGA : ZMG digital conversion spreadsheet is attached in digital format as Appendix 3

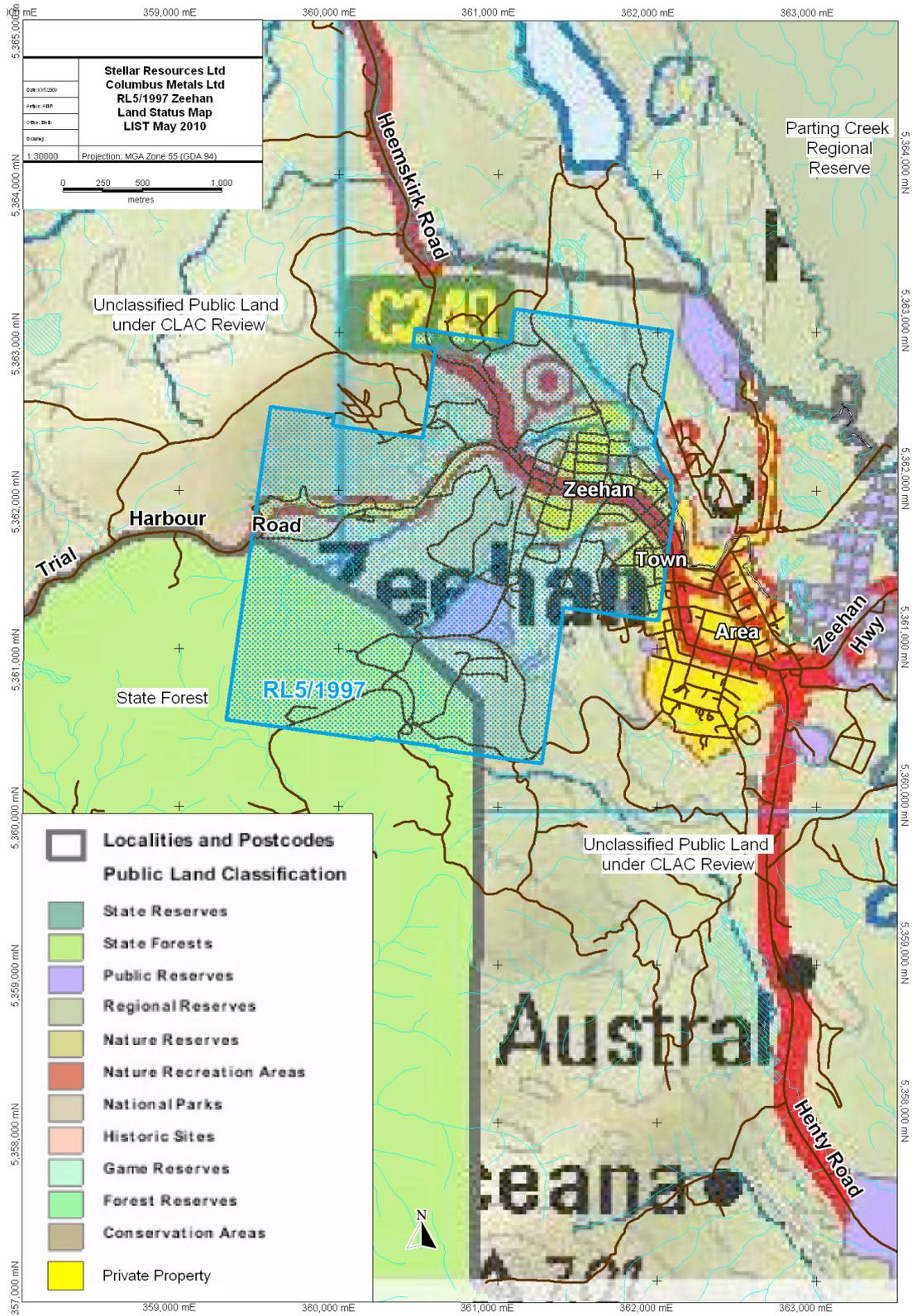


Figure 2. RL5/1997, Heemskirk Tin Project: Land Tenure Map (LIST)

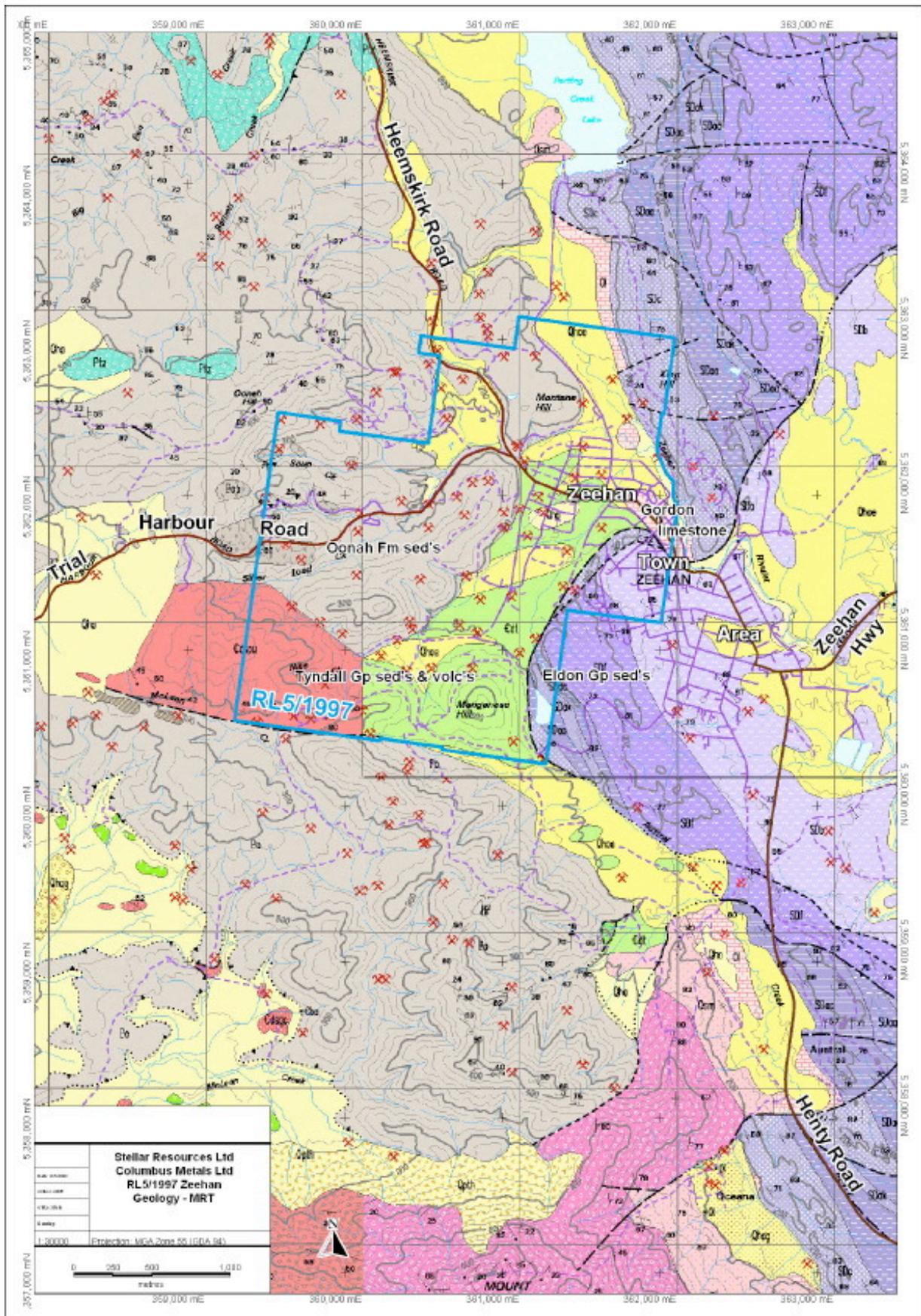


Figure 3. RL5/1997, Heemskirk Tin Project: MRT Geology Map.

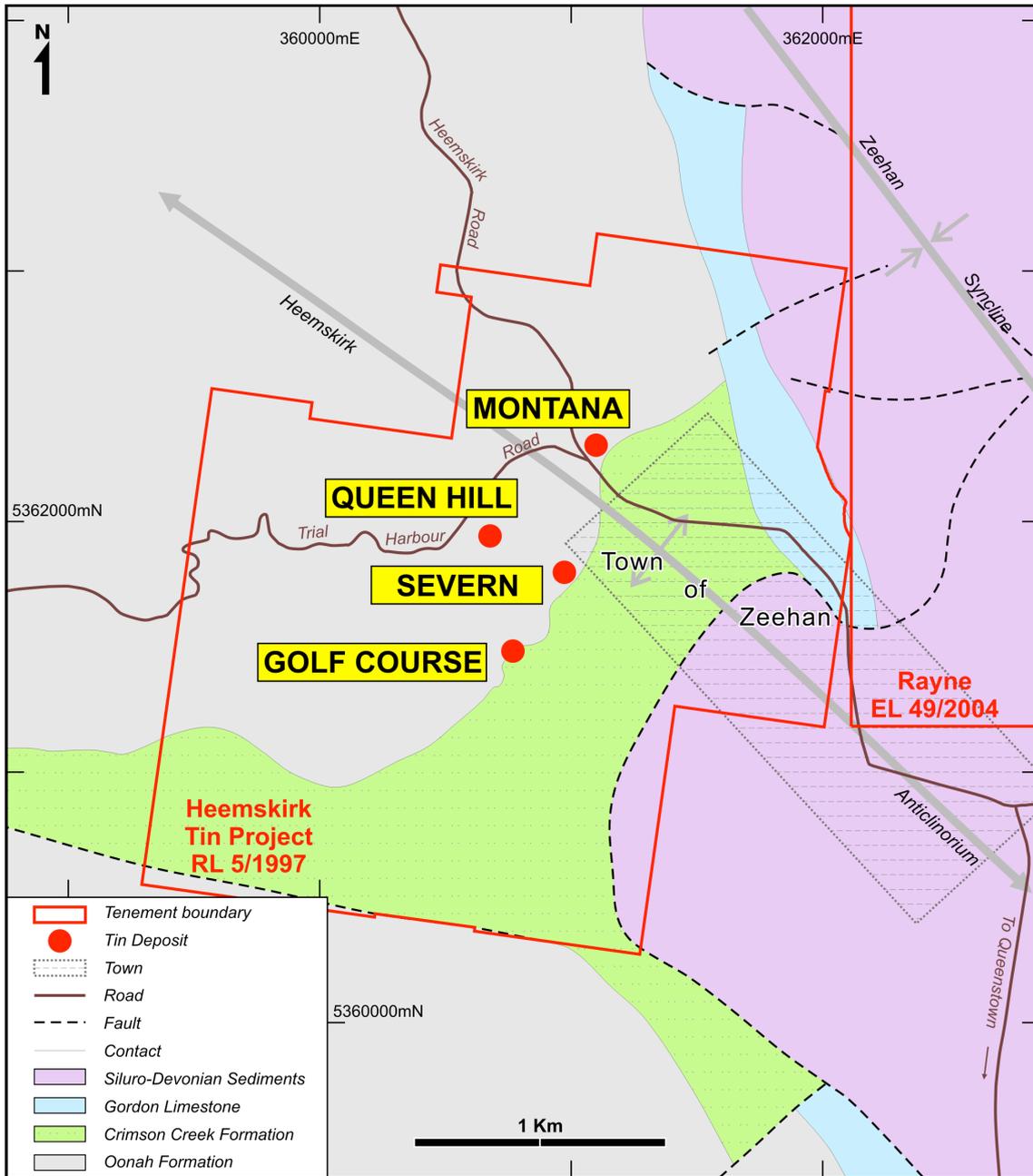


Figure 4. RL5/1997, Heemskirk Tin Project: Simplified Geology showing deposit locations

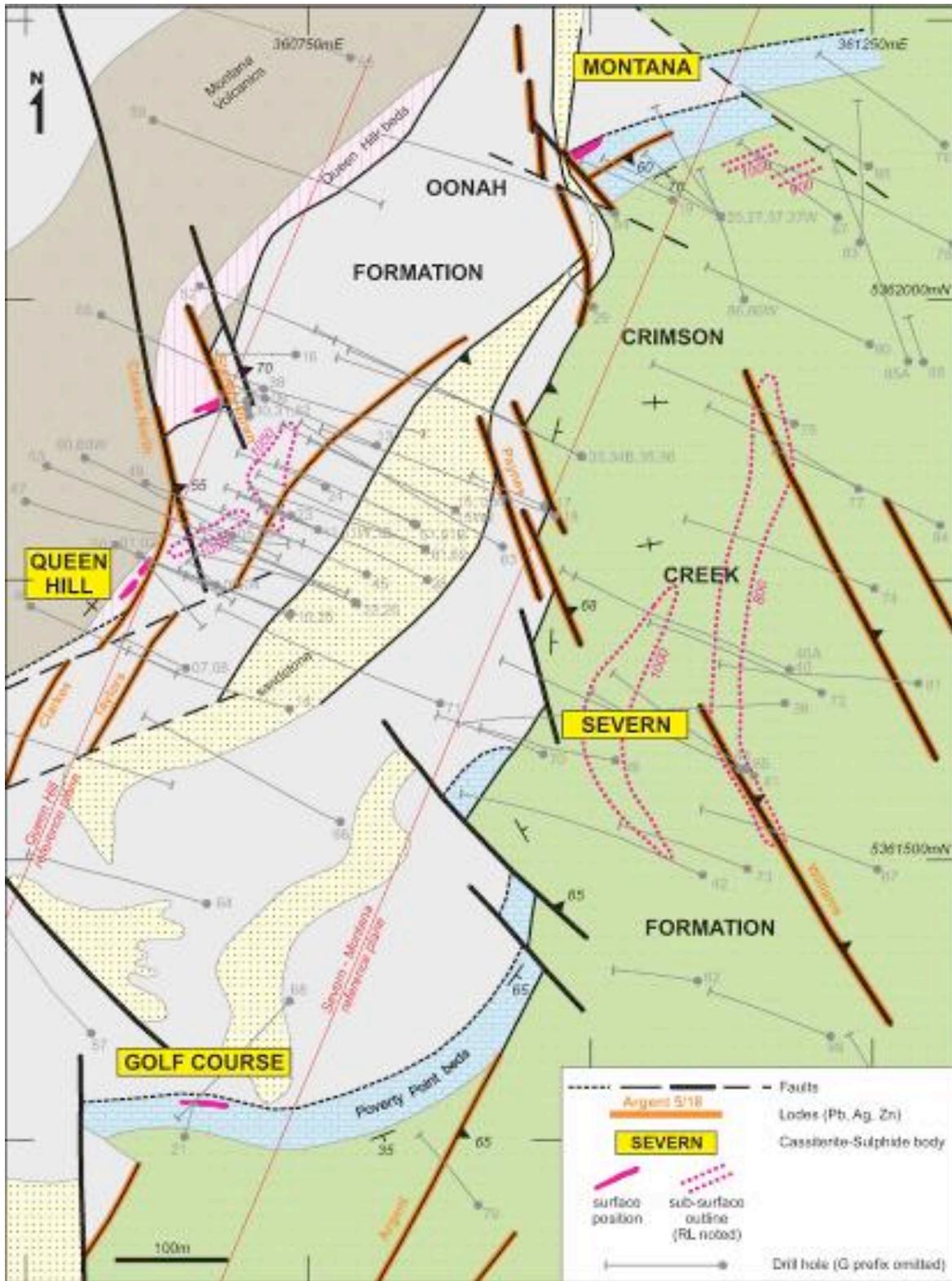


Figure 5. RL5/1997, Heemskirk Tin Project: Geology, Structure, Deposits & Historic Drilling

2. REVIEW OF PREVIOUS WORK

The majority of previous exploration work for tin at Zeehan was carried out by Aberfoyle in the 1970's and 1980's culminating in the delineation of 7.3 million tonnes of mineralisation at an average grade of 0.69% Sn and 10.9 g/t Ag. Higher-grade zones within this mineralised envelope were reported as 3.61 million tonnes @ 1.21% Sn.

This work was undertaken in a Joint Venture signed on 27 March 1972 between Cominco Exploration Pty Ltd (Aberfoyle) and Gippsland Oil and Minerals NL (Gippsland Limited). The JV saw Aberfoyle's interest confirmed at 60% with the right to 70% equity in the project by completing an acceptable feasibility study.

Queen Hill was discovered in the late 1960's, when cassiterite was recognised in massive pyrite mineralisation exposed in old silver-lead mines. The drilling of a magnetic anomaly, located some 300m eastwards from Queen Hill, led to the discovery of the larger Severn Deposit in 1976. Early exploration focussed on Queen Hill and continued sporadically throughout the late 1970's and early 1980's. Characterisation of ore from the upper Queen Hill lode showed it to comprise sulphides (mainly pyrite), carbonates, fluorite and silicates. The tin mineral was mainly cassiterite, which occurred in extremely fine particles (15 microns) disseminated throughout the ore, 60% in sulphide and the remainder in other gangue. The most promising route for beneficiation seemed to be standard mineral dressing methods to gain acceptable recoveries of the cassiterite into low grade concentrate and then upgrading this by pyro-metallurgical matte fuming. In June 1980 a bulk sample of ore from Queen Hill (2,892 tonnes) was excavated and sent to Aberfoyle's matte fuming pilot plant at the Kalgoorlie nickel smelter. Test work successfully produced a high-grade tin matte from this material. No further work was done due to the collapse in the tin price in 1985. The pilot plant and technology were subsequently sold to Mt Isa Mines Limited.

On 1 August 1981 an amalgamation of seven previous leases over the Queen Hill area was undertaken and CML 36/M/81 was granted over an area of 564ha for a period of 21 years. In 1997 this mining lease was converted into the 6km² retention licence RL 5/1997.

The exploration program at Queen Hill identified deeper mineralisation below Queen Hill and at Severn and Montana. Metallurgical characterisation test work on these deposits showed them to be more amenable to conventional mineral dressing than the Upper Queen Hill ore. Amenability was judged on cassiterite grain size, ease of liberation, and response to gravity and flotation separation. In particular the Severn ore responded better than some of the fine-grained ores at the Renison Bell Tin Mine when subjected to similar unit processes employed in the Renison Concentrator (Severn has an average grain size of 65 microns while some of the Renison Fault ores have an average grain size of 50 microns). This offers an option to process these ores by standard mineral dressing methods and produce a saleable gravity concentrate for a recovery estimated at 71.5%.

By 1982, Aberfoyle had completed 89 diamond drill holes totalling 23,000m and a comprehensive data compilation and resource estimation was undertaken which resulted in a Pre Feasibility Study report issued in May 1983. The report concluded that the Zeehan Tin Project had potential for profitable underground mining. The project was never taken through to a bankable feasibility study however, as work was halted in 1984 due to the imposition of export quotas on tin concentrates by the Association of Tin Producers.

Drilling ceased on the Heemskirk Tin Project in June 1982 but technical assessment by Aberfoyle geologists continued; in particular John Anderson undertook research studies towards a PhD degree. A number of new conceptual targets were generated and resulted in the completion of a series of EM geophysical surveys and two final drill holes for a total of 1,320m in 1989-90.

Aberfoyle was taken over by Western Metals Limited (Western Metals) in 1998. Over the ensuing years no work was undertaken at Zeehan. Stellar purchased Western Metals interest in the Zeehan Project in 2008.

Commencing in 2010 Stellar Resources drilled 5 shallow diamond drill holes into the Queen Hill Deposit to both obtain fresh mineralised material for metallurgical testing and to better define the upper extent and nature of the Queen Hill mineralisation. This was followed in 2011 by 3 more holes into Queen Hill, 3 holes into the Stormsdown area, 3 holes into the upper portion of the Montana Deposit and one hole and wedge below the Severn Deposit. Drilling was then suspended until Stellar acquired Gippsland Minerals 40% equity in the Heemskirk Project early in 2012.

During 2010 mining consultants, Mining One, carried out a JORC compliant resource estimation of the Project. Both historic and the 2010 drill results were reviewed and used for this estimate.

Metallurgical testwork carried out by Burnie Research Laboratory tested Queen Hill core composites. Assessments included analytical, mineralogical and flotation assessments and was based on a Renison style flowsheet. This initial metallurgical test work showed that the process required to treat upper Queen Hill mineralisation is compatible with that operating 18 kilometres away at the Renison Bell mill.

During 2012/13 Stellar drilled 17 diamond drill holes, including 3 wedged daughter holes, at Zeehan, totalling 5,730m. 10 holes (including two wedged holes) were drilled into the Severn Deposit, 2 holes, and one wedge, into the Queen Hill Deposit and 4 holes targeted proximal geophysical targets.

In February 2013 T. Callaghan, of Resource and Exploration Geology, carried out revised computer modelling of the three deposits utilising all the drill data to that date. Based on this he completed a new resource estimate of the project. The results of this estimate are summarised below in Table 1.

Table 1. Heemskirk Tin Project: 2013 JORC Mineral Resource Estimate

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

Mining consultants, Mining One, completed a preliminary mine design and cost estimate to pre-feasibility level for the Heemskirk Project in August 2013. This study was based upon Tim Callaghan's Mineral Resource estimate and model and assumed the use of a mining contractor at standard industry rates. This study estimated:

- **Mine Operating Costs at \$65.17/tonne of ROM Ore**
- **Mine Capital Cost at \$92.8M.**

Based on the Mining One mining study and metallurgy test work GR Engineering Services Ltd (GRES) completed a pre-feasibility study (PFS) of the Heemskirk Tin Project in August 2013. GRES utilised metallurgical testwork, both historic and recent, and produced a project design criteria that represents the full-scale operation of a 600,000TPA, 7 day/week, processing plant. The study covered all aspects of ore processing from ore crushing to loading of mineral concentrate for shipment. It included the pumping of tailings to a tailings storage facility and the system for recovery of water back to the processing plant. This study estimated:

- **The Processing Plant capital cost at approximately \$90M**
- **Operation costs at approximately \$34.00/Tonne Treated.**

Metallurgical testwork has continues on composite drill core samples of both Lower Queen Hill and Severn ores.

3. EXPLORATION COMPLETED DURING THE REPORTING PERIOD

3.1. DRILLING

The Heemskirk Project drilling program recommenced in March 2014 with the drilling of ZQ127 & ZQ128 into the edges of Queen Hill Deposit (reported last year), ZQ129 & ZQ129W down plunge of the Queen Hill Deposit and ZG130 into the Golf Course Prospect (refer to Figures 6, 7 & 8). Results are summarized in Table 2 below.

The 2014/15 drilling program concluded with the drilling of ZG131 into the Golf Course Prospect in April 2015.

Table 2. Heemskirk Tin Project: 2014/15 Drilling Assays*

Hole No.	From (m)	To (m)	Int. (m)**	Sn %	AS Sn %	Cu %	Pb %	Zn %	Ag ppm	Comment
ZQ 129	202.0 412.0	203.0 415.0	1.0 3.0	0.98 0.99	0.01 0.02	0.00 0.06	0.06 0.12	0.01 0.01	3 9	139.8 – 224.2m Black Shale & Quartzite 410.9 – 414.9m Black Shale & Massive Sulphide
ZQ129W	411.0	416.0	5.0	0.45	0.01	0.03	0.01	0.03	6	411.5 – 415.1m Black Shale with MS & Pyrite Stockwork
ZG 130	108.0	109.0	1.0	<0.01	0.00	0.01	7.38	1.18	93	108.1 – 116.6m Black Shale, Shale, Siltstone & Dolomite
ZG 131	174.0	175.0	1.0	1.28	0.01	0.00	0.00	0.00	2	126.9 – 175.5m Black Shale, Shale & Dolomite

* Fused beads XRF; **reported interval is down hole.

Refer to Figure 6 for hole locations and to Table 2 for significant intersection summary. Refer to Appendix 1 for drill hole summaries. All drill hole specifications, logs and core photos are appended in digital form (Appendices 5 & 6). A full set of cross sections and longitudinal sections are appended in digital form in Appendix 4.

3.2. PROJECT GEOLOGICAL REVIEW

During June 2013 Geological Consultants, PGN Geoscience, completed a brief structural modelling and reassessment exercise on the Heemskirk Project. PGN Geoscience suggested that a combination of fault intersections and fold axes in the host rocks provide the source fluid channel ways and depositions sites for the tin mineralisation at Zeehan. This study was based largely on the modelling work carried out by Tim Callaghan.

As follow up to this study Teale & Associates, consultant petrologists, were engaged to undertake a detailed study of mineralised microstructures in drill core from the project. Severn deposit drill core intercepts have also been graphically relogged and structures from oriented core plotted stereographically.

3.2.1. Mineralogy & Micro Structure Study

Commencing July 2014 consultant petrologist Dr Graham Teale has been carrying out a detailed microscopic study of a representative suite of mineralised samples from Zeehan drill holes. The objective of this study is to identify and classify mineralised structures and mineral associations and to determine the order of mineralising events (paragenesis). This, together with work on regional structure, will be used to identify high-grade zones and drill targets for potential extensions of mineralisation.

Dr. Teale has yet to complete his study but his interim report is presented digitally as Appendix 7.

3.2.2. Severn Deposit Intercept Graphic Logs

Based on recommendations from Graham Teale's study sections of mineralised Severn drill core were relogged and presented as graphic logs. Holes relogged were ZS107, ZS107W, ZS108, ZS109, ZS110, ZS110W, ZS111, ZS111W, ZS112, ZS112W, ZS113, ZS113W and ZS11129W. These logs are presented digitally in Appendix 8.

3.2.3. Oriented Drill Core Structural Study

Structure orientations from oriented drill core have been converted to GDA dip and dip direction using OSX GeoCalc 3.5 software then plotted on lower hemisphere equal area stereonet using Stereonet3D software on a hole-by-hole basis. Plans showing contoured stereonet of bedding, foliation and joints are presented as Figures 9, 10 & 11 respectively. Full-scale stereoplots are presented digitally in Appendix 9.

3.2.4. Golf Course Sample Mineralogy

A sample of mineralisation discovered at the Golf Course Prospect in a dump of mullock from workings on the Siderite Lode, near the Pyrite Lode Open Cut (refer to Figure 15), returned high Zn, Pb and Sn grades from on site Niton analysis. The sample, which appeared in hand specimen, to be largely massive dark sphalerite adjacent to a galena vein had pale bands of cassiterite through it. Due to this unusual mineral combination the sample was submitted to MODA Microscopy for mineralogical study. MODA's report on the sample is appended digitally as Appendix 10.

3.3. METALLURGICAL TEST WORK

A significant amount of testwork has previously been completed on the Heemskirk project over a number of separate programs, carried out on various samples from the Upper Queen Hill, Lower Queen Hill, Severn and St Dizier deposits. Review of the previous work highlighted that separately these programs were very much 'development' type programs, and were often limited by availability of sample to allow more detailed optimisation work to be completed. The review highlighted the need for significant additional flowsheet development and optimisation testwork, which the 2014/15 program aimed to address.

The 2014/15 program focused on the Severn Deposit as it forms approximately 60% of the overall tin resource of the Heemskirk Tin Project. This Severn metallurgical testing program focused on optimisation of the PFS process flow-sheet using a large, ~120 kg, "global composite" sample representing typical Severn mineralogy, composition and tin grade.

The keys aims of the Severn metallurgical testing program were to:

- Achieve improved overall performance with respect to tin recovery to saleable concentrate grades.
- Better define the optimum process flowsheet, process design criteria and expected performance.
- Demonstrate achievable overall tin recovery to saleable concentrate grades.

In addition to detailed sample characterisation the testwork undertaken covered all major unit processes including:

- Comminution
- HMS
- Sulphide flotation
- Gravity Separation
- Gravity Concentrate Dressing
- De-sliming
- Tin flotation
- Concentrate leach

The general overall program approach was to progressively optimise each of the upstream flowsheet areas, then generate sample under the 'optimised' conditions to form the feed for downstream testwork. This approach was taken to ensure testwork on the downstream areas of the flowsheet was conducted on a reasonably representative feed.

The program was completed under the supervision of WorleyParsons via ALS Metallurgy Burnie laboratory (ALS job no. T0879). The WorleyParsons report is presented digitally as Appendix 11.

3.4. MINING STUDY REVIEW

Mining consultants, Mining One Consultants, completed a preliminary mine design and cost estimate as part of the pre-feasibility study (PFS) for the Heemskirk Project in 2013. This study was based upon Tim Callaghan's Mineral Resource estimate and model and assumed the use of a mining contractor at then standard industry rates.

In the PFS Mining One assumed decline access for all mining operations with initial mining coming from the Lower Queen Hill Deposit followed by production from Severn and Montana – the advance rates utilised appear realistic given the potential ground conditions and the number of operating headings available.

The Mining One schedule prepared for the PFS included a 17-month interval between the start of the major access development and the start of ore production.

Mining One indicated that the intent was to mine the three main deposits from the lowest level, proceeding upwards, permitting strike retreat bench production from below solid ground above filled voids. It is clear, from examination of the PFS mine schedule, that in order to support the target production of 600,000 tpa production was actually scheduled from numerous levels in both the Lower Queen Hill and Severn deposits.

The impact of this scheduled production from different horizons is that mining directly below filled voids was scheduled to be undertaken during the mine life – the issue of mining strike oriented retreat benching below filled voids is a significant one and was not addressed in the PFS.

Following a review of the PFS Polberro Consulting has recommended the consideration of transverse open stoping (TOS) for wider sections of the Severn orebody. This mining method – as with the original Mining One proposal - requires that mining proceed from the lowest levels upwards except that an orebody split is possible to support early production – in all such instances footwall development is required to support extraction of any level below a previously mined and filled upper section of the orebody or a crown pillar of ore must be left behind.

Polberro Consulting was commissioned to examine mine development access options to remove the element of multiple level mining and to determine if earlier access to the base of the Severn orebody at 770m RL is viable. The options reviewed in this study were as follows: -

- Mine all access development with traditional drill and blast and decline access – review Mining One PFS schedule and examine alternative strategies such as predetermined Severn orebody division into upper and lower sections are viable.
- Substitute the use of road header for mine development work.
- Utilise shaft access.

The full Polberro Consulting report is appended as Appendix 12.

3.5. PERMITTING & ENVIRONMENTAL STUDIES

During the period, Stellar Resources consultant John Miedecke and Partners continued baseline environmental studies.

The proposed project tailings dam site has been secured with the granting of ML 2M/2014 by MRT on 3/2/2015 and studies at the site have commenced. These will be reported separately.

A Notice of Intent (NOI) was submitted to the EPA during September 2014 and this resulted in the issue of guidelines for the preparation of a Development Proposal and Environmental Management Plan (DPEMP) for the project.

Stellar (and consultants) continue to have regular discussions with the EPA and MRT regarding the project development and land tenure.

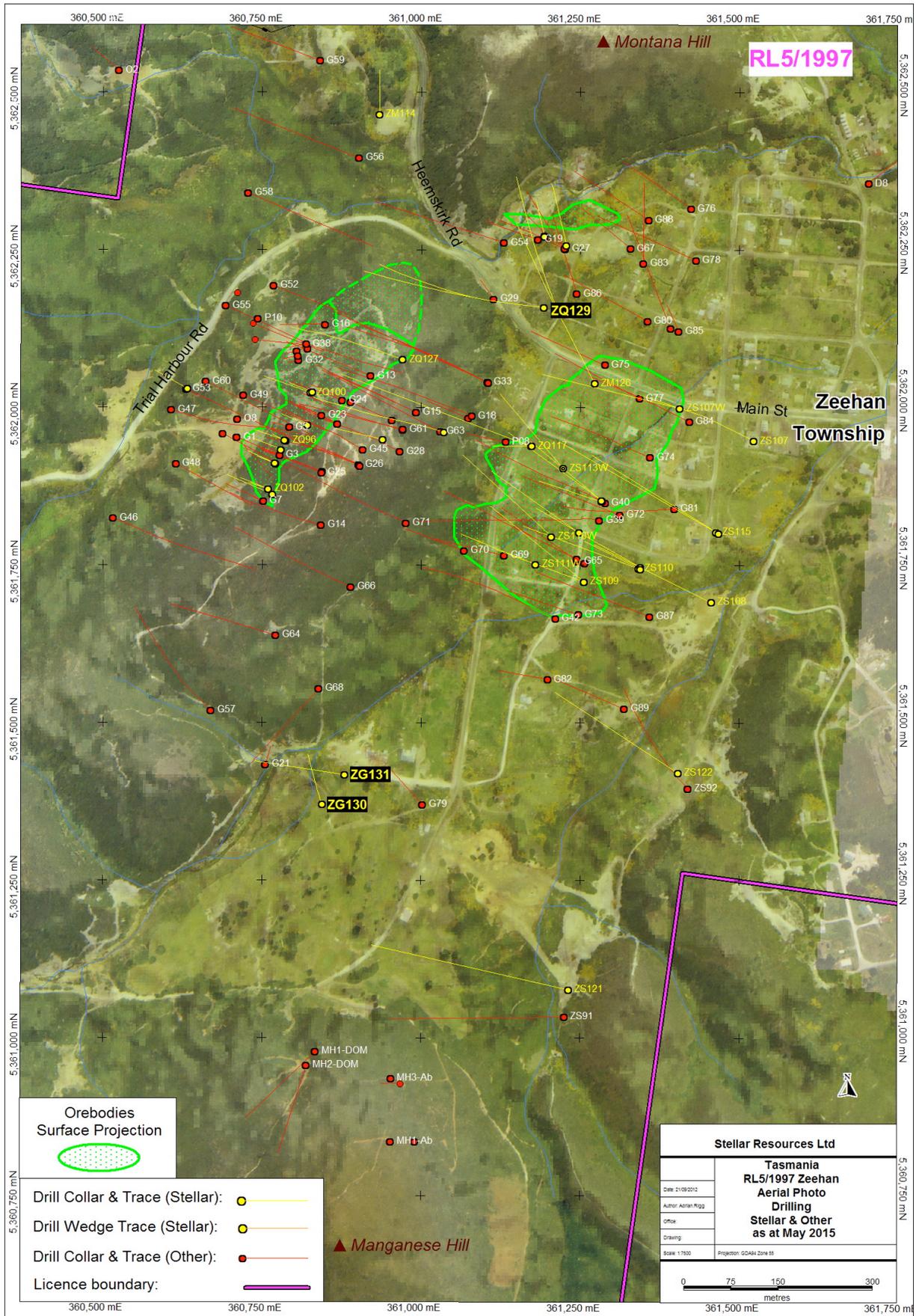


Figure 6. RL5/1997, Heemskirk Tin Project: Tin Deposits with Historic & Stellar Drilling to date (2014/15 drill holes highlighted).

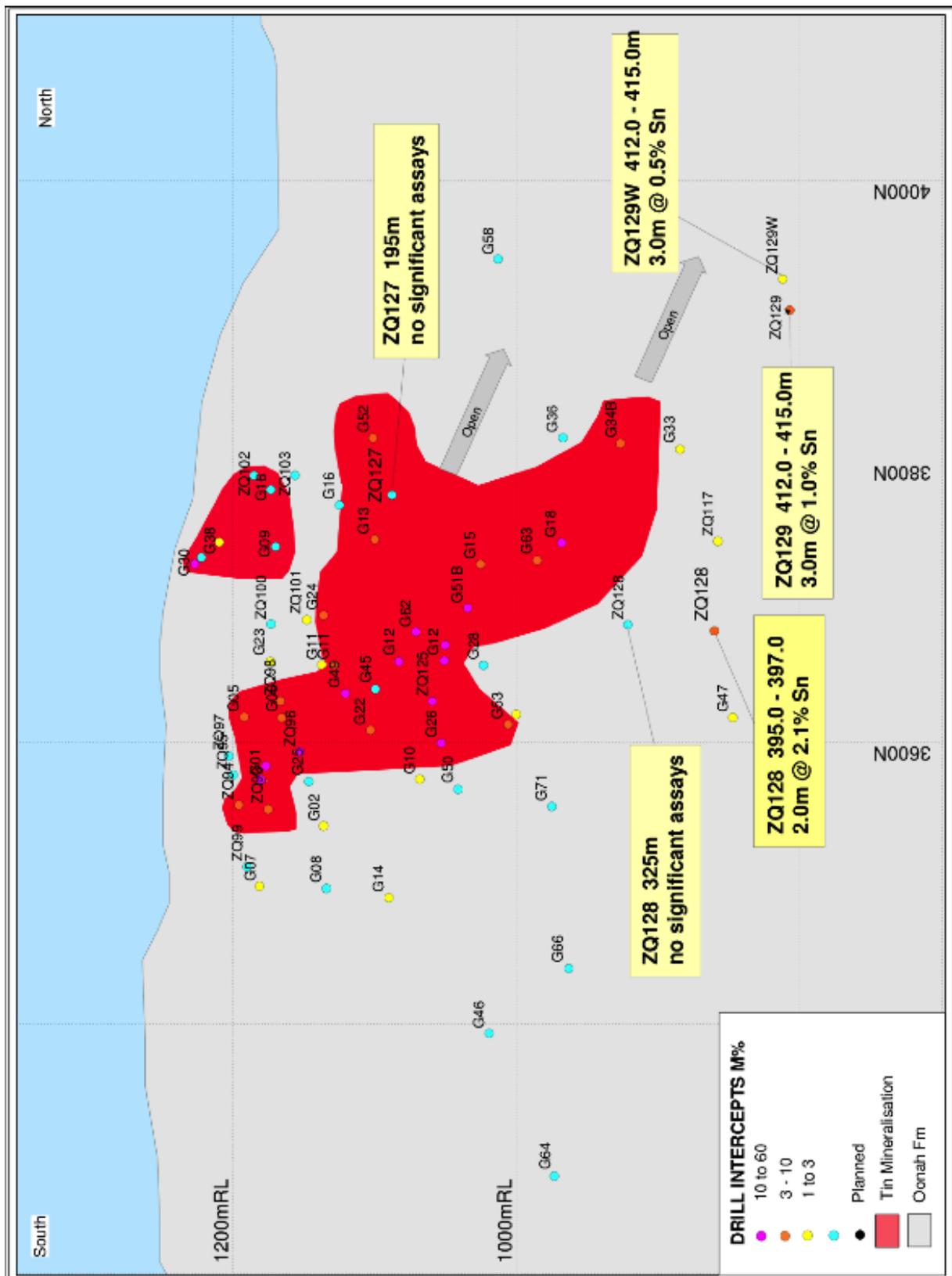


Figure 7. RL5/1997, Heemskirk Tin Project: Queen Hill Deposit Longitudinal Section

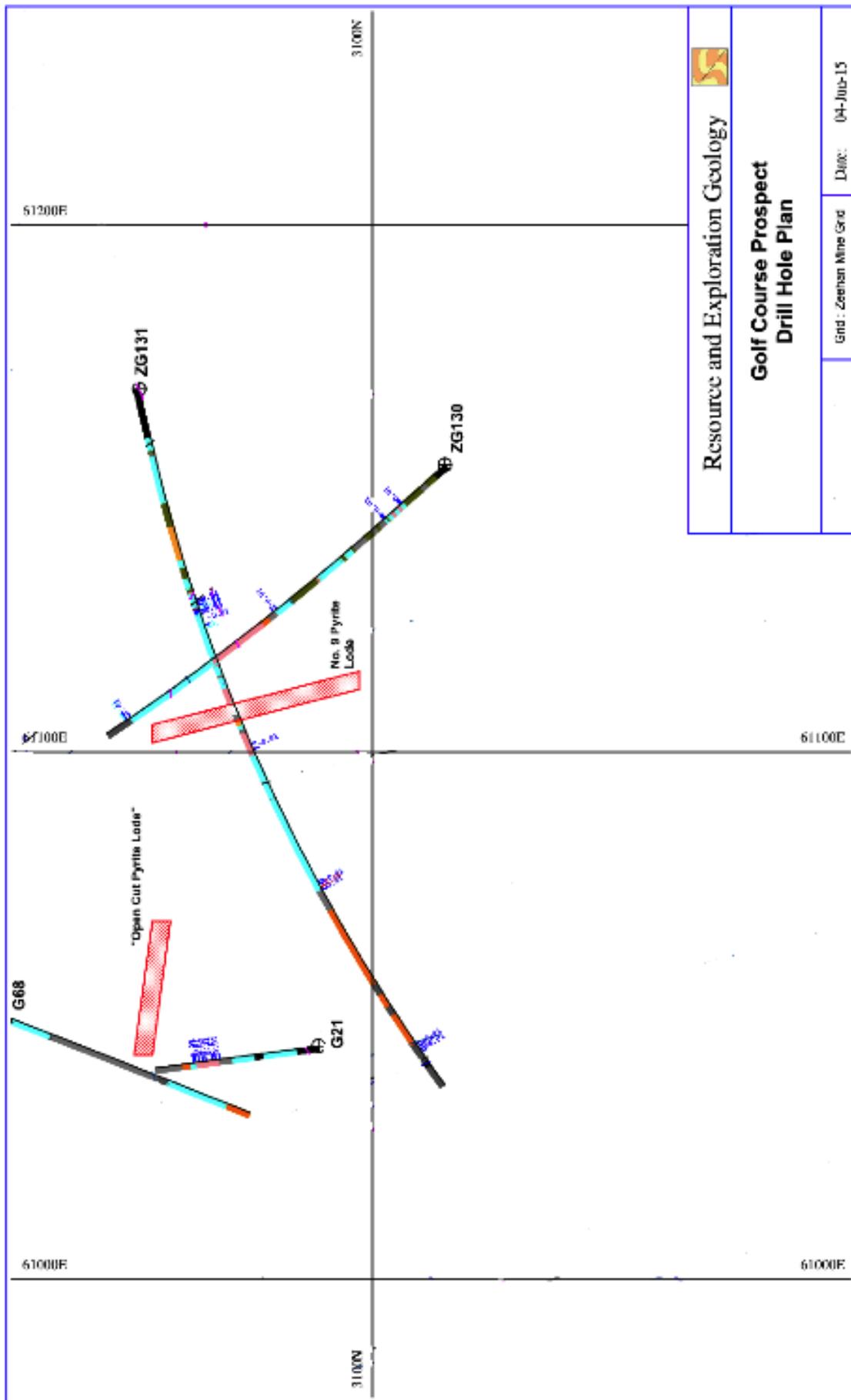


Figure 8. RL5/1997, Heemskirk Tin Project: Golf Course Prospect, Drill Hole Plan on ZMG Grid.

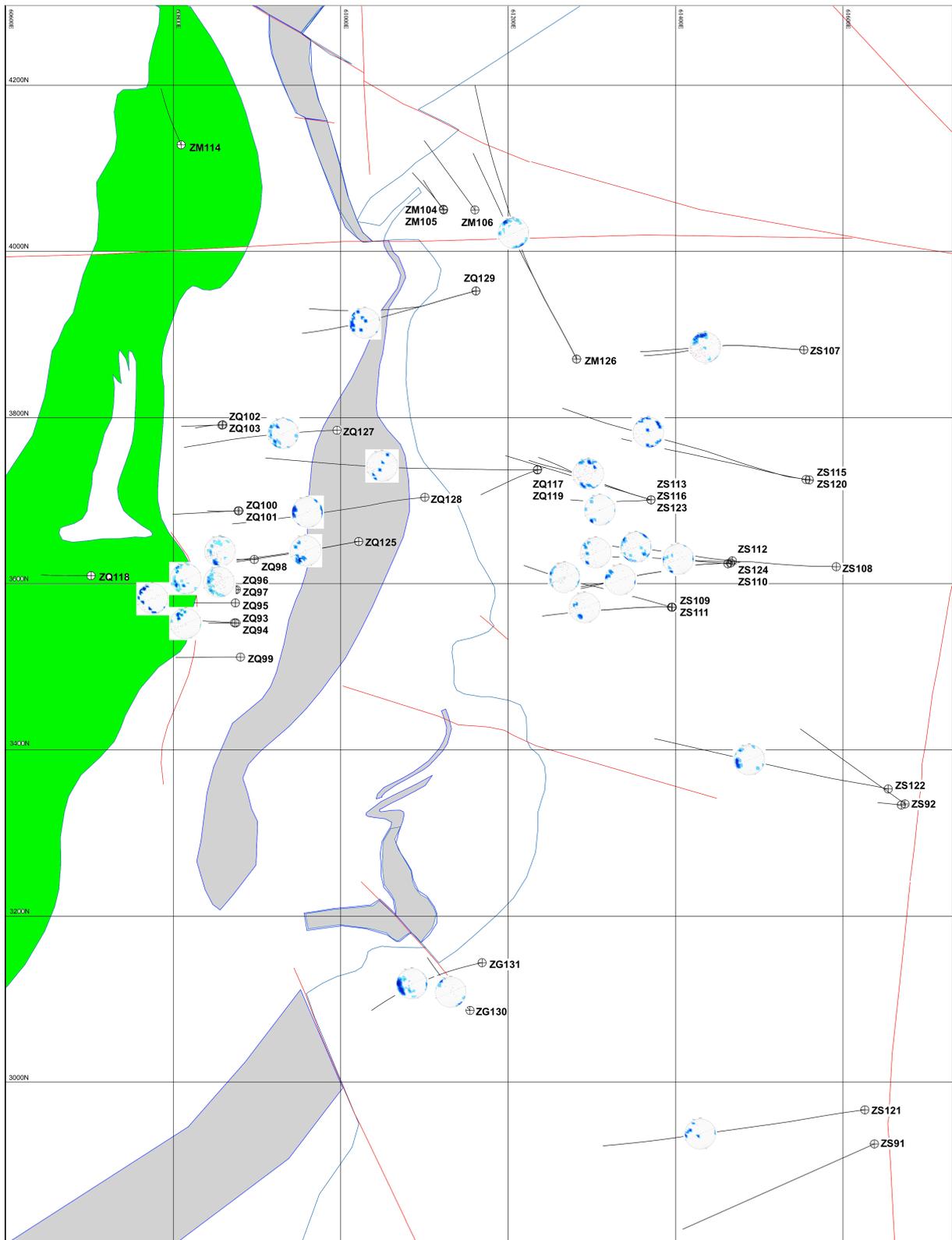


Figure 9. RL5/1997, Heemskirk Tin Project: Contoured Stereoplots of Bedding in drill core on ZMG Grid Geology Plan.

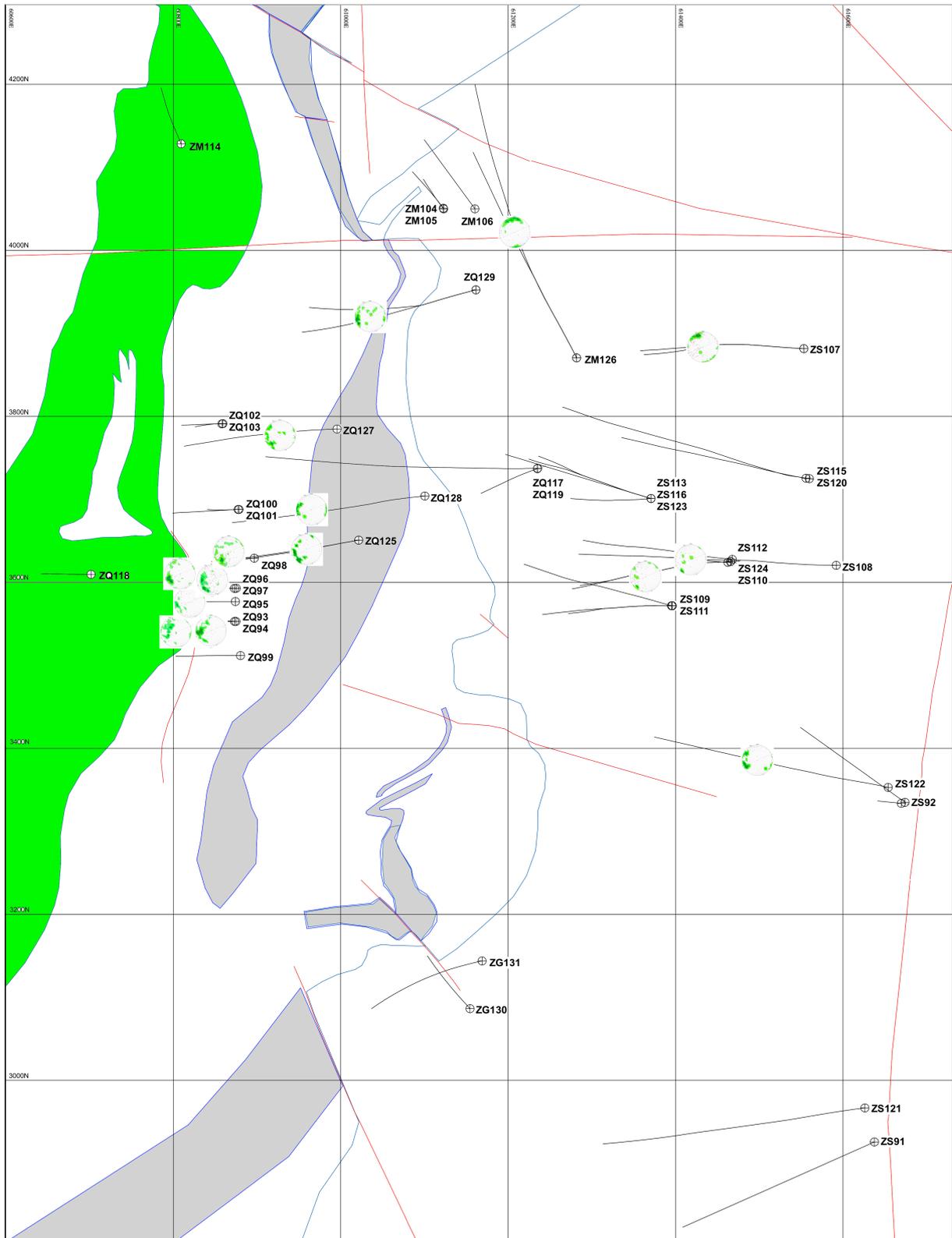


Figure 10. RL5/1997, Heemskirk Tin Project: Contoured Stereoplots of Foliation in drill core on ZMG Grid Geology Plan

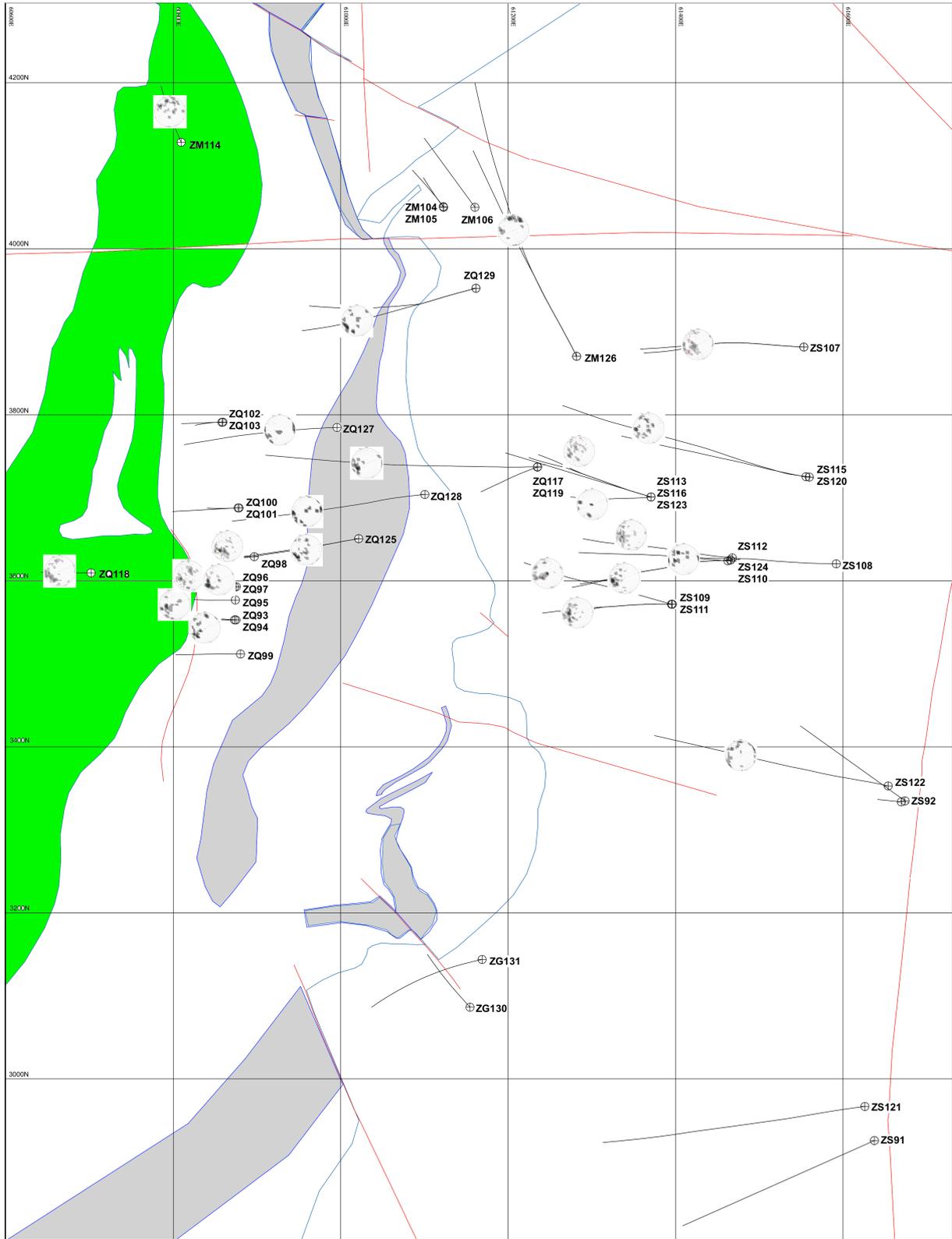


Figure 11. RL5/1997, Heemskirk Tin Project: Contoured Stereoplots of joints in drill core on ZMG Grid Geology Plan

4. DISCUSSION

4.1. DRILLING

Drill holes ZQ129 and ZQ129W, drilled down plunge of the Queen Hill Deposit, intersected 3 metres @ 0.99% Sn from 410.9m and 4 metres @ 0.45% Sn respectively. These two intercepts extend the known Queen Hill Deposit down plunge by approximately 150 metres. Refer to Figures 7, 12, 13 & 14. It should also be noted that these intercepts are only 150 metres from the Montana Deposit.

Drill hole ZG130 was drilled to test for a down plunge extension to the Open Pit Pyrite Lode at the Golf Course Prospect (refer to Figures 6, 8, 15, 16 & 17). It intersected no significant mineralisation.

Following the discovery of old mines plans for the Agent No. 4 Mine (refer to Figure 15) drill hole ZG131 was drilled to test the No. 9 Pyrite Lode shown on the plans. It was thought that previous drilling (i.e G21, G68 & ZG130) may have straddled the No.9 Lode by drilling parallel to it. ZG131 intersected no significant mineralisation.

From the drilling results and surface mapping the Golf Course Prospect appears to be located in a fault bound block of sheared and disrupted sedimentary rocks comprising Montana Beds (dolomites & siltstones) and Oonah Formation black shales and quartzites. Pods or lenses of massive pyrite-tin and siderite-sphalerite-galena-tin mineralisation within the fault block tend to be located on the bounding or internal faults. Though high grade they are limited in extent.

Despite relatively closely spaced drilling no economic mineralisation has been intersected below 50m depth. No further drilling is recommended at this prospect due to the limited tonnage potential of the mineralisation.

4.2. PROJECT GEOLOGICAL REVIEW

4.2.1. Mineralogy & Micro Structure Study

Relogging of drill core, reduction and analysis of drill core structural data and petrographic studies of mineralogy and microstructures shows evidence of structural remobilisation of cassiterite mineralisation and development of high grade tin concentrations in structural dilation zones at the Severn Deposit

The objective of this work is the identification of vectors to high-grade mineralisation within, and beyond, the known deposits. This work is on going but should be completed by the end of 2015.

4.2.2. Golf Course Sample Mineralogy

Dr Gar McArthur, of MODA, found that the Golf Course Zn-Pb-Sn vein sample submitted to him showed, in hand specimen, a sphalerite vein with coarse galena on one side and bands of fine, but visible, pale cassiterite in the sphalerite.

Off cuts from the sample returned an average grade of: 4.4% Sn, 0.06%Cu, 19.55% Pb, 38.9% Zn & 180ppm Ag.

He also found several noteworthy microscopic textural features:

- The sphalerite is dusted with ultrafine pyrrhotite "disease"
- Early, tightly-packed, equant sphalerite crystals appear to be infilled by later, vuggy crystalline cassiterite (possibly replacing original carbonate?)
- Galena has been remobilised late, partially replacing sphalerite
- Fragments of recrystallised carbonaceous matter occur in the sphalerite and cassiterite, probably sourced from nearby black shales
- The gangue is 90% quartz and 10% carbonate (probable siderite)

Dr. McArthur stated that he has not previously recorded late cassiterite interstitial to subhedral sphalerite. As Pb-Zn veins are commonly observed on the outer fringes (lower temperature zones) of Sn deposits in Western Tasmania (Mt Bischoff, Cleveland, Renison) it can only be deduced that this Golf Course tin mineralisation represents a deposition of the higher-temperature cassiterite over a pre-existing lower temperature Zn-Pb vein system.

4.3. METALLURGICAL TEST WORK

The 2014/15 Severn metallurgical testing program has provided a number of important improvements to metallurgical performance, and flowsheet simplifications, in addition to generating more robust information with respect to optimum process design criteria and processing conditions.

Key outcomes of the program include:

- Elimination of the heavy media separation circuit.
This has provided a simplification to the overall process flowsheet and a reduction in associated tin losses, and is expected to provide an improved project outcome.
- Coarser primary grind; grind size optimisation test work has demonstrated a significantly coarser primary grind size (P80 = 250 μm) is more optimum than that considered in the PFS (P80 = 130 μm).

This provides the following benefits:

- reduced tin losses due to reduced fines production,
- reduction in primary grind operating and capital costs, and overall comminution energy requirements.

Significantly, the percentage of tin passing 30 μm (below which size gravity recovery is relatively poor) is estimated to decrease from ~43% passing 30 μm at a primary grind size of 130 μm (as assumed in the PFS), to only ~30% passing 30 μm at a primary grind size of 240 μm . This is equivalent to ~30% reduction in fine tin generation, and is a key contributor to the improved gravity recovery achieved.

- Optimisation of the sulfide flotation circuit has led to a significant reduction in tin losses to the final sulphide concentrate tailings stream. This, together with the elimination of the heavy media circuit has increased the amount of tin available for recovery within the gravity and tin flotation circuits.
- Optimisation of the gravity circuit configuration, combine with upstream flowsheet improvements, has led to ~10% improvement in tin recovery via gravity.
- Improvements with the concentrate dressing circuit have led to improved gravity concentrate quality and clearly demonstrated a high quality concentrate, low in penalty elements, can be readily produced.
- Elimination of the silica flotation circuit has provided a simplification to the overall process flowsheet.
- Optimisation of the De-slime cut point has allowed minimisation of combined slimes and tin flotation tailings losses.
- Tin flotation test work has robustly demonstrated commercially meaningful tin flotation concentrate grades can be achieved at acceptable recoveries.
- Based on the outcomes of the optimisation program overall tin recovery is estimated at 79.5% at a final concentrate grade of 45% Sn.

Importantly, the overall performance has been demonstrated across a consistent, robust test work program, covering all major sections (including sulfide flotation, gravity separation, de-sliming, tin flotation, concentrate dressing and concentrate leaching) of the proposed process flowsheet.

4.4. MINING STUDY REVIEW

The Polberro Consulting Mining Study Review found that:

- The single heading rate of 120m per month (m/Mo) utilised in the PFS development schedule was conservative and may be raised to within the range 180-210m (200m) per month at the DFS stage as industry advice indicates this to be a more realistic level. This will bring forward production from Queen Hill from month 17 to month 11 and Severn from month 25 to month 16.
- The multiple heading rate of 240m/Mo per rig with a maximum of 80m/Mo per heading used in the PFS schedule matched the industry advice (range of 220-300m/Mo) and may continue to be utilised for scheduling purposes.
- The use of a road header would raise the cost of mine development and would be unlikely to provide any time benefit given that only one rock type falls within the recommended road header rock strength operating range. Modern high cutting power rigs (300KW) are capable of operating within stronger rocks but at the expense of high operating costs resulting from high cutter wear and poor utilisation.
- The short term hire of a road header to mine the initial 300-400 m of Main Decline development from surface and the upper Queen Hill decline might be considered to limit the surface impact of the initial mine development on the township particularly if restrictions on blasting near the surface are imposed by MRT/EPA.
- A hoisting shaft would not improve access time to the Lower Severn deposit, would duplicate the development that is required to be installed for the proposed mining methods and would significantly elevate project capital costs by of the order of \$23m. A shaft option is not recommended for further review.
- Conventional drill and blast appears to be the quickest and most economic means of providing access to the Heemskirk ore deposits. Effectively maximising development rates within any mine development contract set up appears the most appropriate means of providing early access to ore production.
- The assessment made in the review is based upon the Mining One PFS schedule including the development designs and the staged filling approach, which incorporates the mining, and filling of the Queen Hill Lower stopes prior to moving the fill plant underground to be used to fill Severn stopes.
- The principal risk affecting all assumptions regarding schedule rates in the PFS and this review is that there may be some potential for restrictions to be placed upon near surface works and blasting times.

4.5. PERMITTING & ENVIRONMENTAL STUDIES

This work is being managed by John Meidecke and Associates and is directed to addressing all issues likely to be required for the permitting process. The granting of ML 2M/2014, the issue of the DPEMP guidelines and results of ongoing discussions with the MRT and EPA will guide the direction, extent and scheduling of the program. The DPEMP guidelines covered all of the areas identified in the Notice of Intent (NOI).

The existing studies (i.e. surface water, groundwater, waste geochemistry and flora and fauna) will continue and be expanded to include other areas which will form part of the project (i.e. tailings dam site, waste rock site etc.).

Groundwater studies will require the installation of piezometers and it is likely that some of the grid drillout holes can be used for this purpose on completion. Some of the flora and fauna studies require further ground truthing and survey.

Other surveys likely to commence in 2015/16 include heritage (European and indigenous archaeology), noise and ground vibration studies.

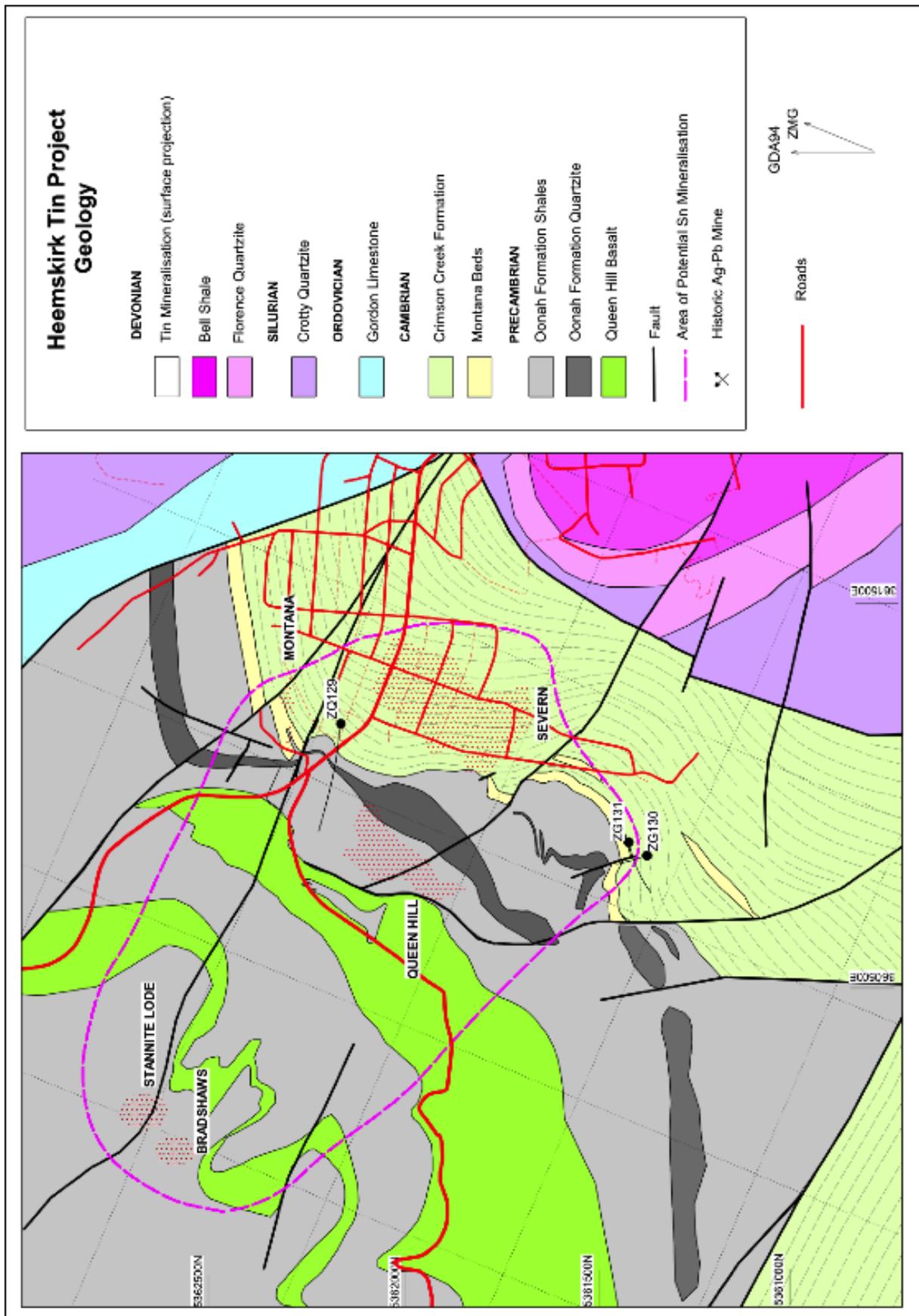


Figure 12. RL5/1997, Heemskirk Tin Project: Geology Plan showing deposits & drill hole traces on the ZMG Grid with GDA grid tags.

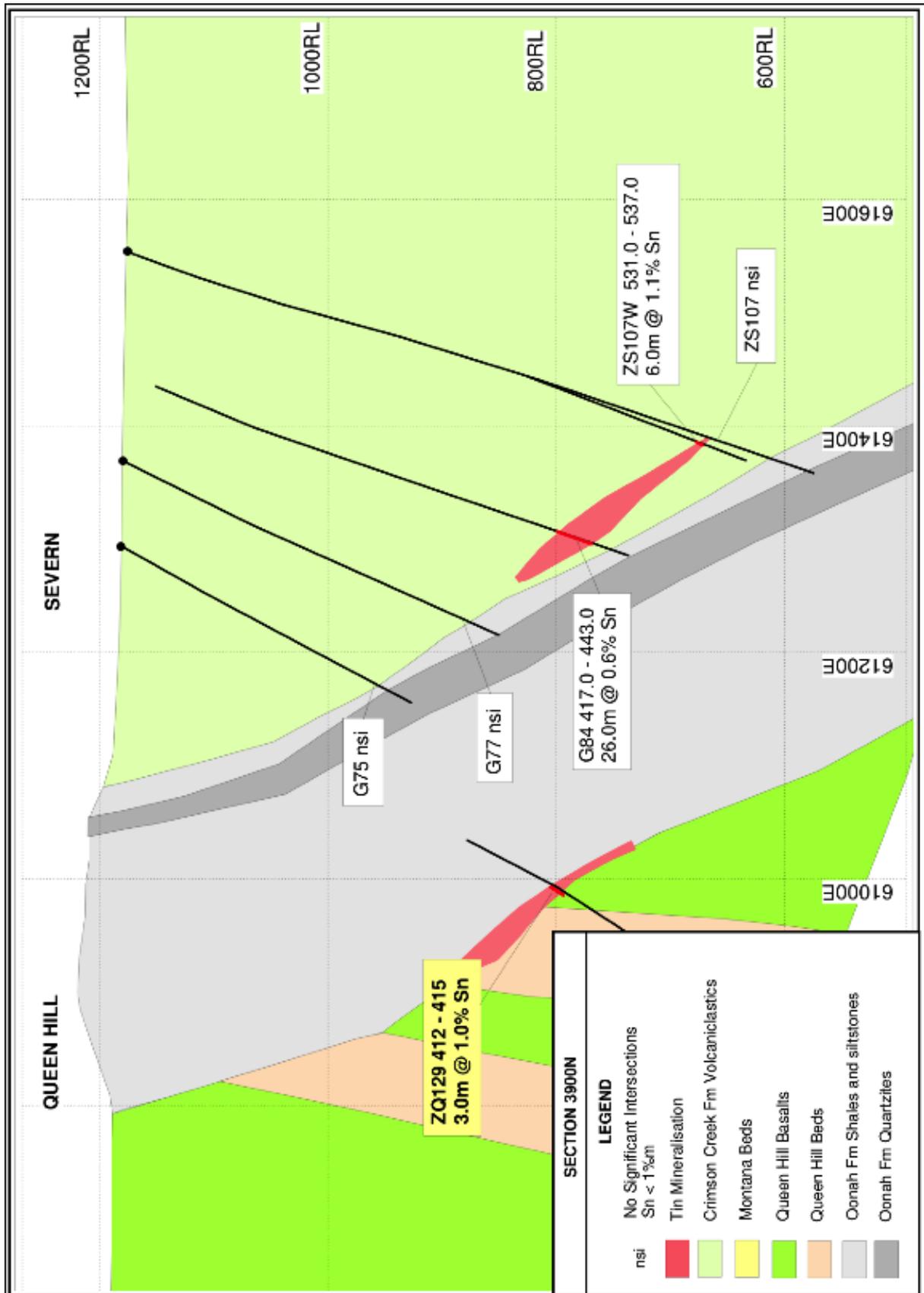


Figure 13. RL5/1997, Heemskirk Tin Project: 3900N Zeehan Mine Grid (ZMG) Geology Cross Section showing the part trace of drill hole ZQ129.

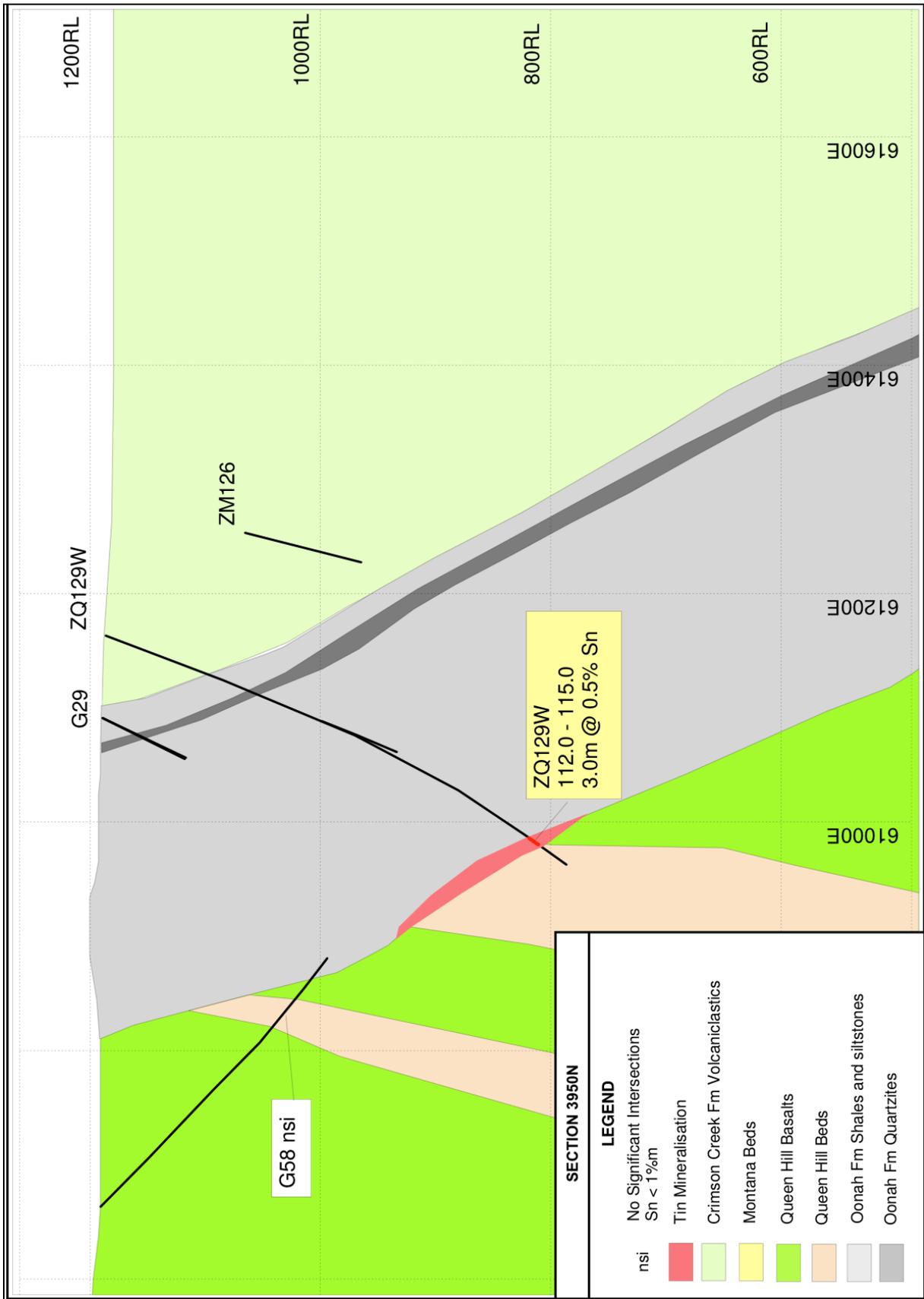


Figure 14. RL5/1997, Heemskirk Tin Project: 3950N Zeehan Mine Grid (ZMG) Geology Cross Section showing the part trace of drill hole ZQ129W

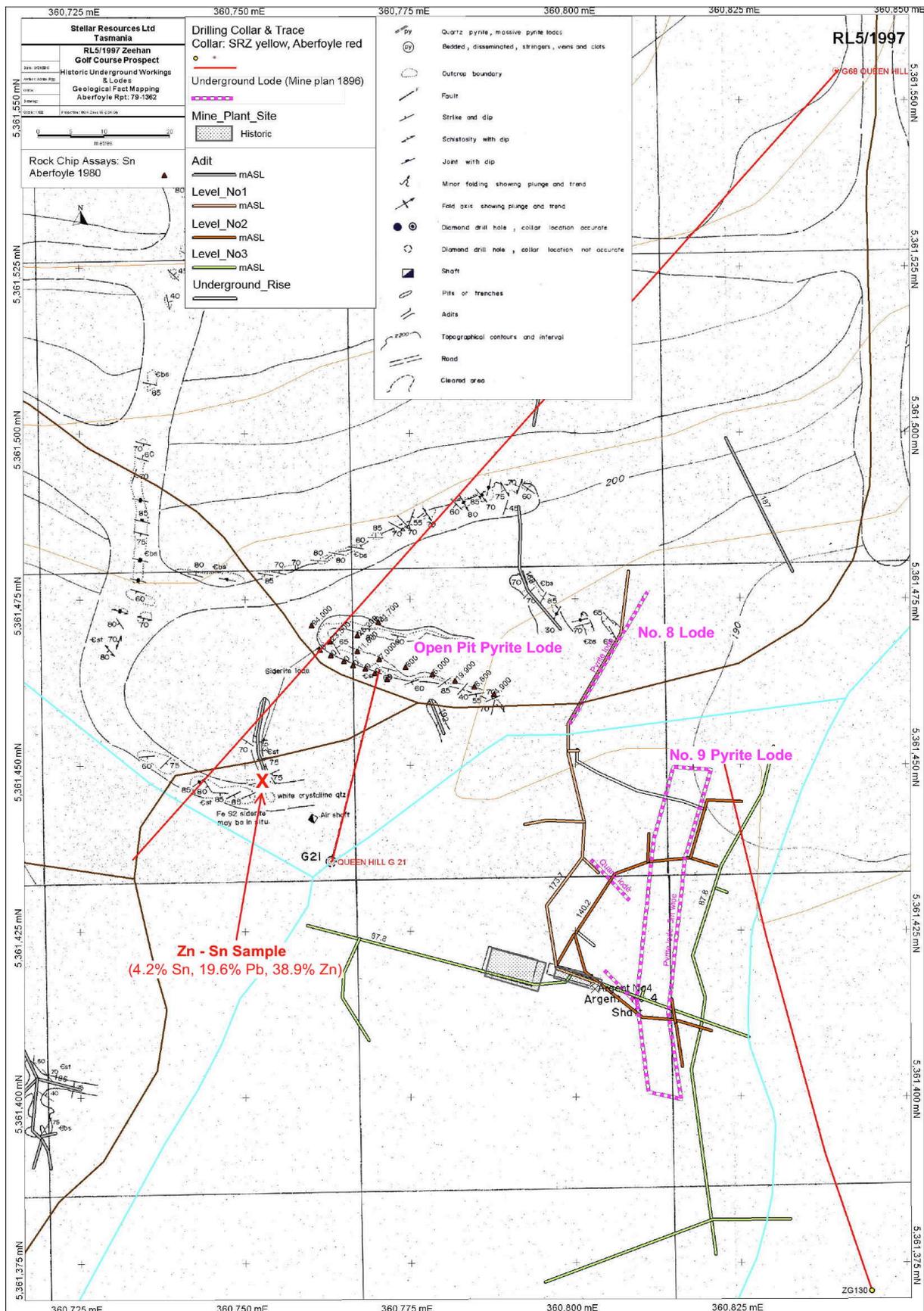


Figure 15. RL5/1997, Heemskirk Tin Project: Golf Course Prospect, Plan showing old workings, lodes and drill holes G21, G68 & ZG130.

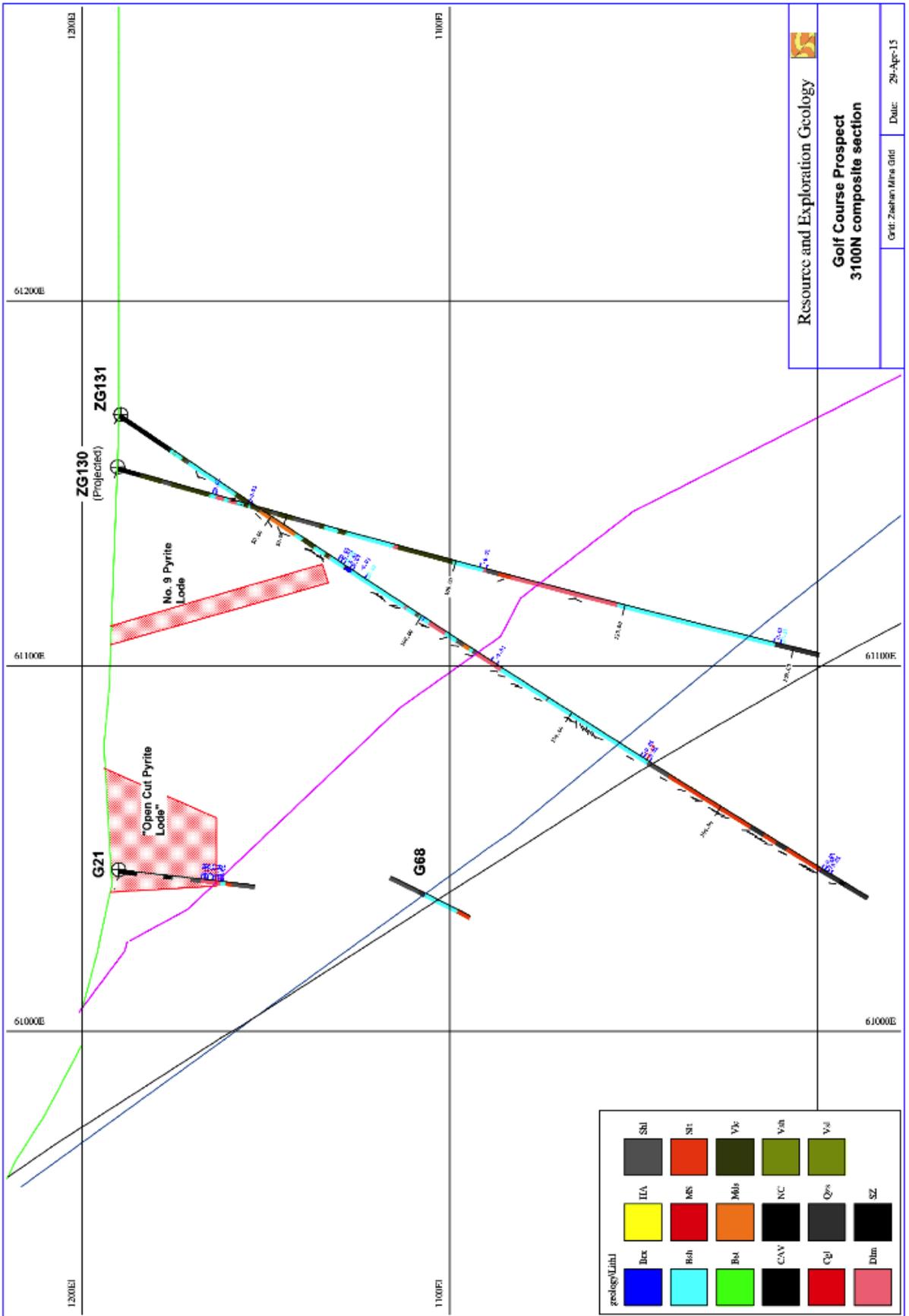


Figure 16. RL5/1997, Heemskirk Tin Project: Golf Course Prospect, 3100N Zeehan Mine Grid (ZMG) showing historic pyrite lodes and the lithology in drill holes ZG130 (projected) & ZG131.

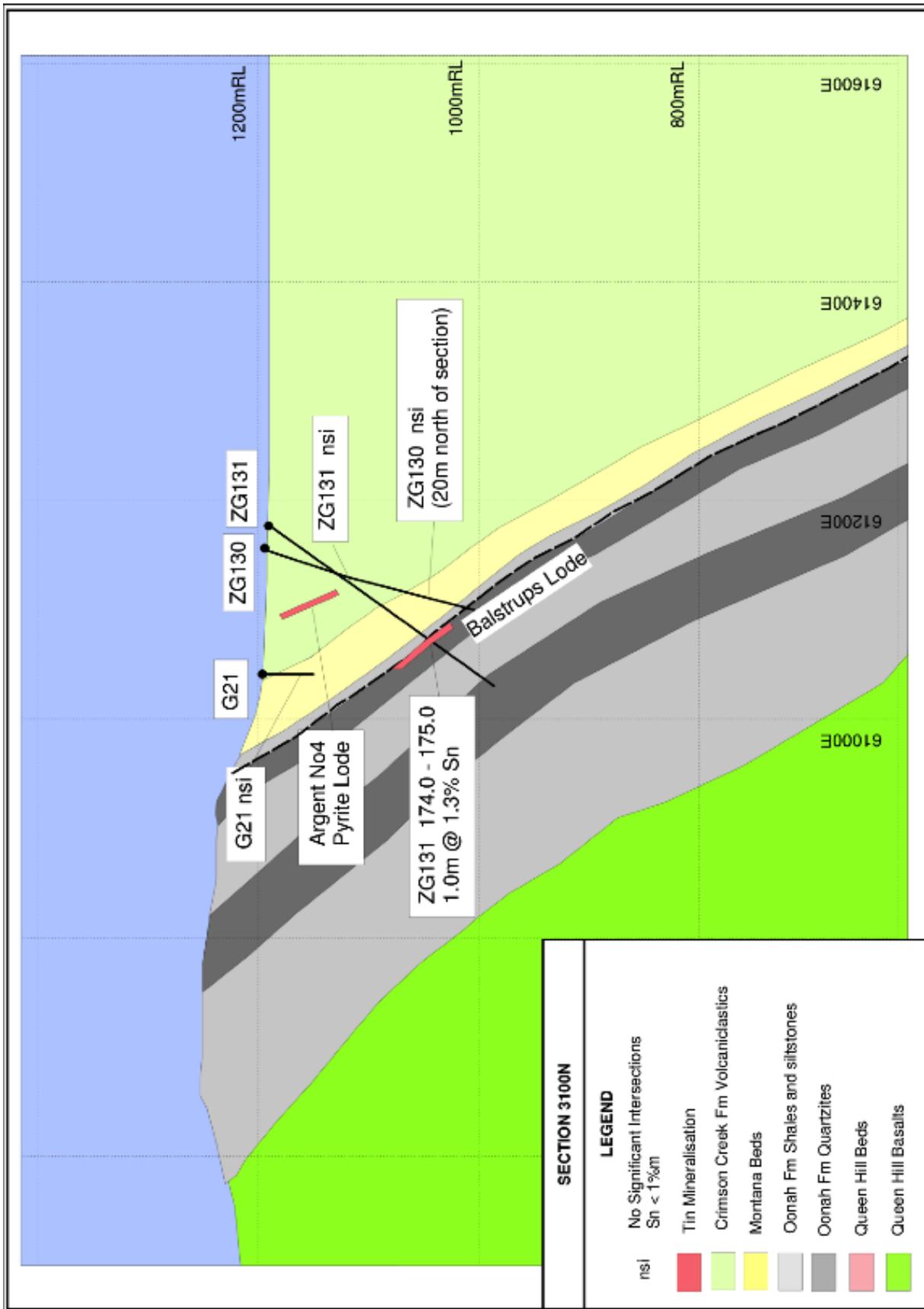


Figure 17. RL5/1997, Heemskirk Tin Project: Golf Course Prospect, 3100N Zeehan Mine Grid (ZMG) Interpretative Geology Cross Section.

5. CONCLUSIONS & PROPOSED WORK

The Heemskirk Tin Project comprises three structurally controlled and replacement tin deposits with substantial scope to both increase the size and quality of the known deposits and to add to this resource through the discovery of additional mineralisation at depth.

5.1. DEVELOPMENT TARGETS

Severn Deposit

The Severn Deposit will be subject to infill drilling during the coming year to increase drill density and facilitate an increase in JORC resource status from inferred to indicated. More drilling will test the extremities of the known deposit, particularly down plunge. This will be guided by the results of the geological review studies currently underway.

Queen Hill Deposit

Results from drill holes ZQ129 and ZQ129W indicate that there is significant depth potential at the Queen Hill Deposit. Metallurgical test work indicates that the deeper mineralization is also more amenable to mineral extraction than that near surface. The lower Queen Hill Deposit is considered highly prospective and may be drilled further in the coming year.

5.2. PROJECT STUDIES

Metallurgical test work continues with further testing of Severn, Lower Queen Hill and Montana mineralization as it becomes available from drilling.

Independent mining consultant Alan Fudge, of Polberro Consulting, has been commissioned to review and update the costings in the Heemskirk Tin Project PFS. This work is underway.

GR Engineering Services have been commissioned to update the costings in the Heemskirk Tin Project PFS to account for changes arising from the 2014/15 metallurgical study and results from the Polberro review of mining costs and methods. This will be completed by the end of 2015.

Stellar (and consultants) will continue discussions with the EPA and MRT regarding the project and land tenure. Stellar will also continue with environmental studies required for project approvals. Environmental studies will continue throughout the year and be expanded to evaluate rock (ore & waste) geochemistry and the groundwater regime.

6. ENVIRONMENT

The ZQ129 drill pad has not been rehabilitated as it is likely to be used again for the infill / grid drilling program. The hole has been plugged with Van Ruth plugs and concrete.

The ZM130 and ZM131 drill pads have been rehabilitated. ZM130 has been plugged with Van Ruth plugs and concrete. ZM131 has been cased with slotted PVC pipe and fitted with a grouted steel collar pipe (50m) and screw cap. This will facilitate groundwater sampling, water level monitoring and possibly downhole geophysical surveys.

7. EXPENDITURE

Transaction Report Columbus Metals Limited				
Printed At: 15/06/2016 11:46:49 AM		Currency: AUD		Page: 1
Job No	Job Details	Department	CI	
Tran. Date		Doc Ref - Description	Posting Ref	Amount
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	1064	Labour	Total	\$77,766.69
Phase Total	106	STAFF COSTS		\$230,836.99
	1061	Professional Technical	Total	\$40,617.50
	1062	Labour	Total	5156.38
Phase Total	106	CONTRACT PERSONNEL		\$40,763.86
	1072	Geoscientist	Total	\$170,832.18
	1073	Engineering	Total	\$7,009.84
	1074	Other	Total	\$4,743.84
	1075	Environmental	Total	\$33,417.90
Phase Total	107	CONSULTANT PERSONNEL		\$206,003.76
	1151	Site Preparation	Total	\$8,677.73
	1154	Diamond	Total	\$200,282.93
Phase Total	115	DRILLING		\$208,960.66
	1161	Assays	Total	\$233,009.31
	1163	Preparation/core cutting other	Total	\$3,517.50
Phase Total	116	ASSAYS		\$236,526.81
	1202	Purchases of existing data	Total	\$72.73
Phase Total	120	DATA ACQUISITION		\$72.73
	1251	Vehicle Costs All	Total	\$34,257.61
	1252	Office Costs	Total	\$3,204.31
	1253	Field Operations Consumables	Total	\$3,605.82
	1254	Safety Equipment	Total	\$51.26
	1255	Equipment Hire	Total	\$6,356.61
Phase Total	125	SUPPORT COSTS		\$48,475.61
	1304	Drilling and Presentation	Total	\$448.95
Phase Total	130	DATA PROCESSING		\$448.95
	1503	Application Fees	Total	\$443.60
	1505	Rentals/ Other Utilities	Total	\$26,358.13
Phase Total	150	TENEMENT COSTS		\$26,771.73
	1551	Meals and Accommodation	Total	\$10,582.17
	1552	Airfares	Total	\$4,769.64
	1553	Vehicle Hire	Total	\$6,353.28
	1554	General Expense	Total	\$934.71
Phase Total	155	TRAVEL		\$22,639.80
	1601	Rehabilitation Costs	Total	\$1,793.27
Phase Total	160	REHABILITATION COSTS		\$1,793.27
	1651	Administration	Total	\$257,325.00
Phase Total	165	OVERHEADS		\$257,325.00
Job Total GIP001				\$1,244,385.46
Class GIP				\$1,244,385.46
Report Total:				\$1,444,095.46

8. REFERENCES

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Keywords

Location: Zeehan

Mineralisation environment: Sulphide Skarn

Minerals: Cassiterite, Stannite, Pyrite, Pyrrhotite, Magnetite

Exploration methods: Historic Research, Diamond Drilling, Metallurgical Testwork, Mining Studies, Environmental Studies

Mine/prospect name: Heemskirk Tin Project, Queen Hill Deposit, Severn Deposit, Montana Deposit, Golf Course Prospect, Stormsdown Prospect

Stratigraphic name: Oonah Formation, Success Creek Group, Crimson Creek Formation, Gordon Limestone, Eldon Group, Heemskirk Granite

Lithologic name: quartzite, volcanoclastic, basalt, siltstone, shale, limestone, dolomite, granite

Geological Province: Dundas Trough

Geological age: Lower Neoproterozoic, Palaeozoic

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APPENDICES

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Appendix 1: 2015 Drilling Summary

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Appendix 2: Analytical Methods



ALS Minerals Burnie
39 River Rd, Wivenhoe, Tasmania, 7320, Australia
Phone: 61 3 6431 6333

PRIVATE & CONFIDENTIAL

29th May 2013

Mr. Ray Hazeldene
C/- Stellar Resources

Dear Ray,

RE: ALS Analysis Methods

Please find below a summary of analysis methods employed for the analysis of Stellar Resources samples.

ME-XRF15d (XRF fused bead analysis for Sn, WO₃, Fe & S)

The sample is mixed with a borate flux, pre-oxidised @ 700°C then fused @ 1200°C. The homogenous glass bead is presented to the Axios X-ray spectrometer for measurement against a calibration constructed from synthetic standards & verified using Certified Reference Materials.

ME-ICP41a (ICP analysis for Soluble Sn, Cu, Pb, Zn, Ag, Bi, Ni & As)

High Grade aqua-regia digestion and ICP-AES for 30 elements. Quantitatively dissolves base metals for the majority of geological materials. Major rock forming elements and more resistive metals are only partially dissolved.

QA-GRA08 (Specific Gravity)

Specific Gravity for bulk samples using the weight in air versus weight in water method.

Yours Sincerely,

Rocky Gelston
Chief Chemist
ALS Minerals Burnie