



STELLAR RESOURCES LIMITED

Rubicon MinTech Ventures Pty. Ltd.

EL 1/2004 RAMSAY RIVER

ANNUAL REPORT FOR THE PERIOD

3 JANUARY 2016 – 2 JANUARY 2017

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DISTRIBUTION:

**Mineral Resources Tasmania, a Division of the
Department of Infrastructure, Energy and Resources - Hobart
Stellar Resources Ltd - Melbourne**

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ABSTRACT

This Annual Report for EL1/2004 Ramsay River covers the period from 3 January 2016 to 2 January 2017.

The Ramsay River licence area contains historical occurrences of lead-silver-zinc, tin, gold and copper. Previous exploration in the area includes extensive stream sediment sampling, some soil and rock chip sampling, geological mapping, a range of geophysical surveys and several drill holes, which have revealed numerous anomalies.

In Melbourne office, work has included the ongoing collection of existing regional geological, geochemical and geophysical data and map production.

Work is focussed on the RY02 Tin Prospect in the Butler's Road area.

Expenditure on EL1/2004 for 2016 totalled \$16,500.

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1. INTRODUCTION

1.1. EXPLORATION RATIONALE & GEOLOGICAL SETTING

Because of previous exploration results from Stellar Resources work on EL1/2004, current exploration aims are focussed on the low sulphide tin potential of fractionated facies and apophyses of the Meredith Granite and its contact zones, within the remaining portion of the original EL.

There are several small tin and base metal occurrences within the licence area and the Mt Bischoff (Sn) and Cleveland (Sn-Cu) mines lie within 3km.

1.1.1. Geological Setting

The licence covers part of the Late Carboniferous tin-prospective NE portion of the Meredith Granite, which has intruded an association of Early Cambrian Luina Group marine sediments and basaltic rocks, and Early Cambrian allocthanous slivers of mafic-ultramafic rocks (Figure 2). The northern end of the prospective area is partly covered with Tertiary basalt.

The north-east corner of the Meredith Granite is known to extend at shallow depth and underlie the historic Mt Bischoff porphyry and dolomite replacement tin deposit. The historic Magnet Mine is located on a northern boundary of the Ramsay licence. It is a lode-style base metal and silver deposit (0.64Mt @ 7.3%Zn, 7.3%Pb and 427 g/t Ag) hosted by a structurally emplaced mafic/ultramafic body known as the Magnet Dyke. The lower levels of the old mine (below 8 level) are within EL1/2004 while the postulated feeder structure trends south-west into the EL. Tin may occur below the old workings in a zone closer to the underlying granite. Anomalous tin soil geochemistry is evident in the Butler's Road area, where previous explorers generated currently unexplained EM anomalies, highlighting the area for possible significant greisen style mineralisation within a zone of quartz-tourmaline alteration (schorl rock) of a Devonian feldspar-quartz porphyritic biotite granitoid between the cupola and the Early Cambrian Luina Group host sedimentary rocks.

1.2. LICENCE

TENEMENT NUMBER: 1/2004

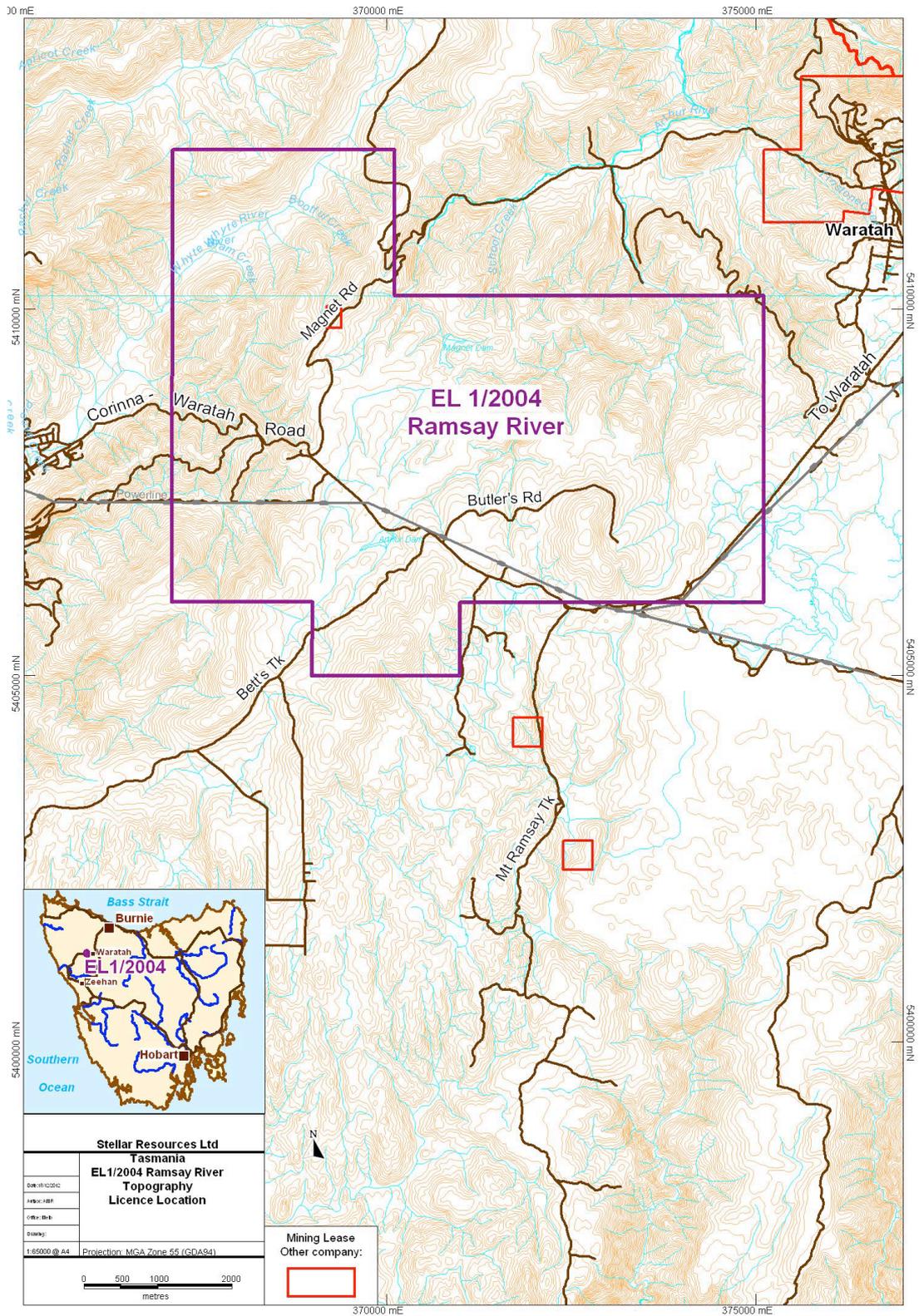
TENEMENT NAME: Ramsay River

TENEMENT LOCATION: Located 60km southwest of Burnie, with main road access from the Corinna Road approximately 10km west of the Murchison Highway (Figure 1). The licence covers 70km² from the Magnet Mine area west of Waratah township, south to within 3km of Mt Ramsay. Much of the EL area is Crown Land, covered by patches of rainforest and forestry, tea-tree scrub and button grass plains. Access is provided by the Corinna Road, numerous logging and old exploration tracks, and walking tracks. Much of the area is accessible only by foot.

REPORTING PERIOD: 3 January 2016 to 2 January 2017.

TENEMENT HOLDER: Rubicon MinTech Ventures Pty Ltd., a wholly owned subsidiary of Stellar Resources Ltd.

1.3. LOCATION OF LICENCE



• Figure 1. EL1/2004, Location Map.

1.4. LAND TENURE

SCHEDULE

LAND DISTRICT OF RUSSELL
VICINITY OF RAMSAY RIVER 8KM SW OF WARATAH
MUNICIPALITY OF WARATAH / WYNYARD
EXPLORATION LICENCE 1/2004 70km²
RUBICON MIN TECH VENTURES PTY. LTD.

Commencing at the northwest corner at grid coordinates 367 000 mE 5 412 000 mN, thence grid east to 370 000 mE, grid south to 5 410 000 mN, again grid east to 375 000 mE, again grid south to 5 398 000 mN, grid west to 372 000 mE, then grid north to 5 401 000 mN, again grid west to 371 000 mE, again grid north to 5 403 000 mN, again grid east to 372 000 mE, again grid north to 5 405 000 mN, again grid east to 373 000 mE, again grid north to 5 406 000 mN, again grid west to 371 000 mE, again grid south to 5 405 000 mN, again grid west to 370 000 mE, again grid south to 5 404 000 mN, again grid west to 367 000 mE aforesaid, thence again grid north to the point of commencement.

Coordinate datum - AGD66, AMG Zone 55.5.

EXCLUSIONS

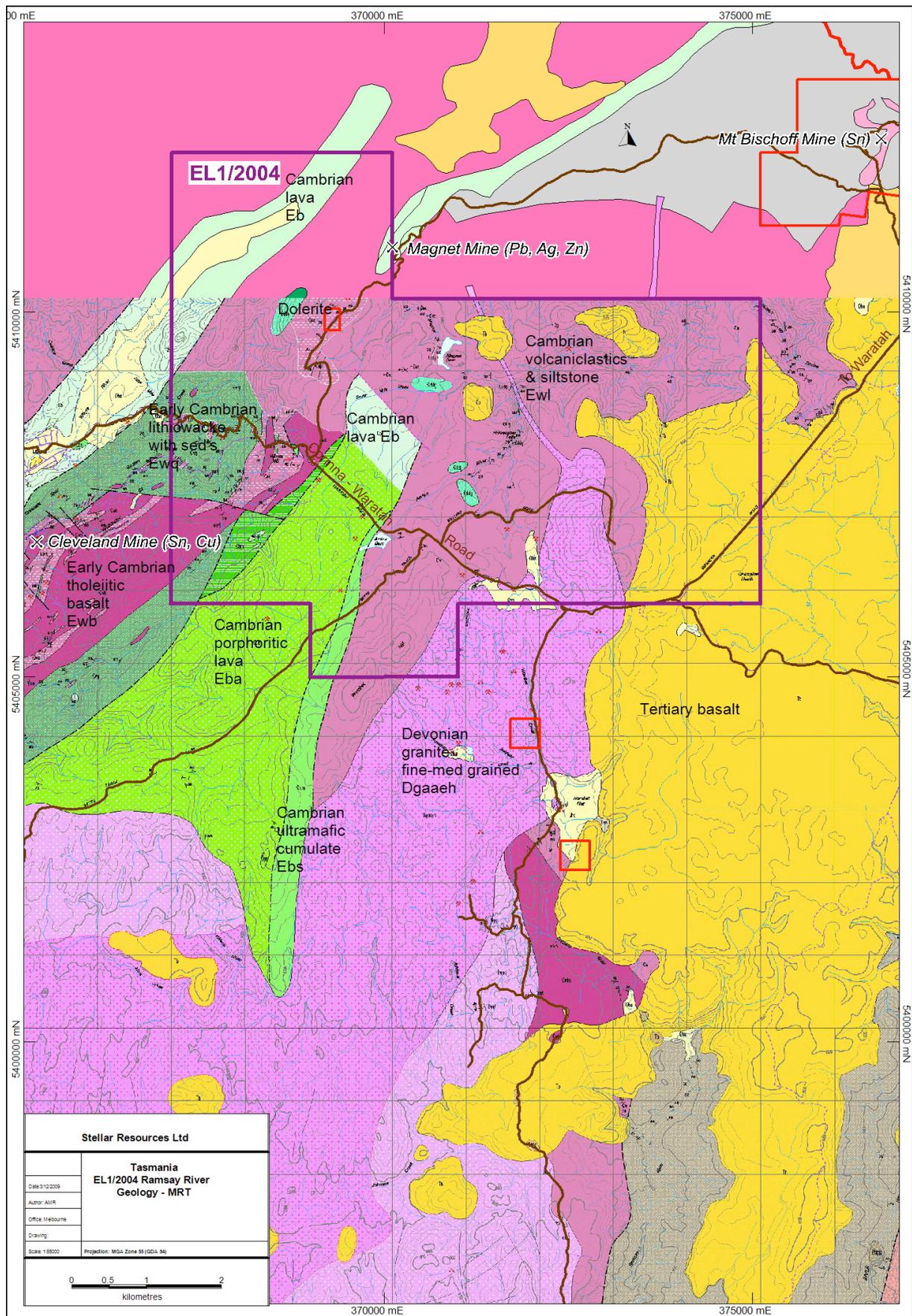
- (a) Any land owned or leased by the Commonwealth of Australia.
- (b) Mining leases amounting to 70ha (more or less) which were applied for or in force prior to the date of application for this licence.
- (c) Crown reservations or other land set apart or dedicated for any public purposes such as public reserves, municipal reserves or roadways unless such areas have been brought under the provisions of the *Mineral Resources Development Act 1995*.
- (d) Land declared as a fossicking area under the *Mineral Resources Development Act 1995* as shown hereunder:
 - 10ha Magnet Fossicking Area
- (e) Areas of private land which either have been, or are in the process of being, purchased by the Crown under the Regional Forest Agreement - Private Forests Reserves Program and / or private land over which the landowners have agreed, or are in the process of agreeing, to place a covenant or management agreement for conservation purposes under the Regional Forest Agreement - Private Forests Reserves Program.

LAND TENURE

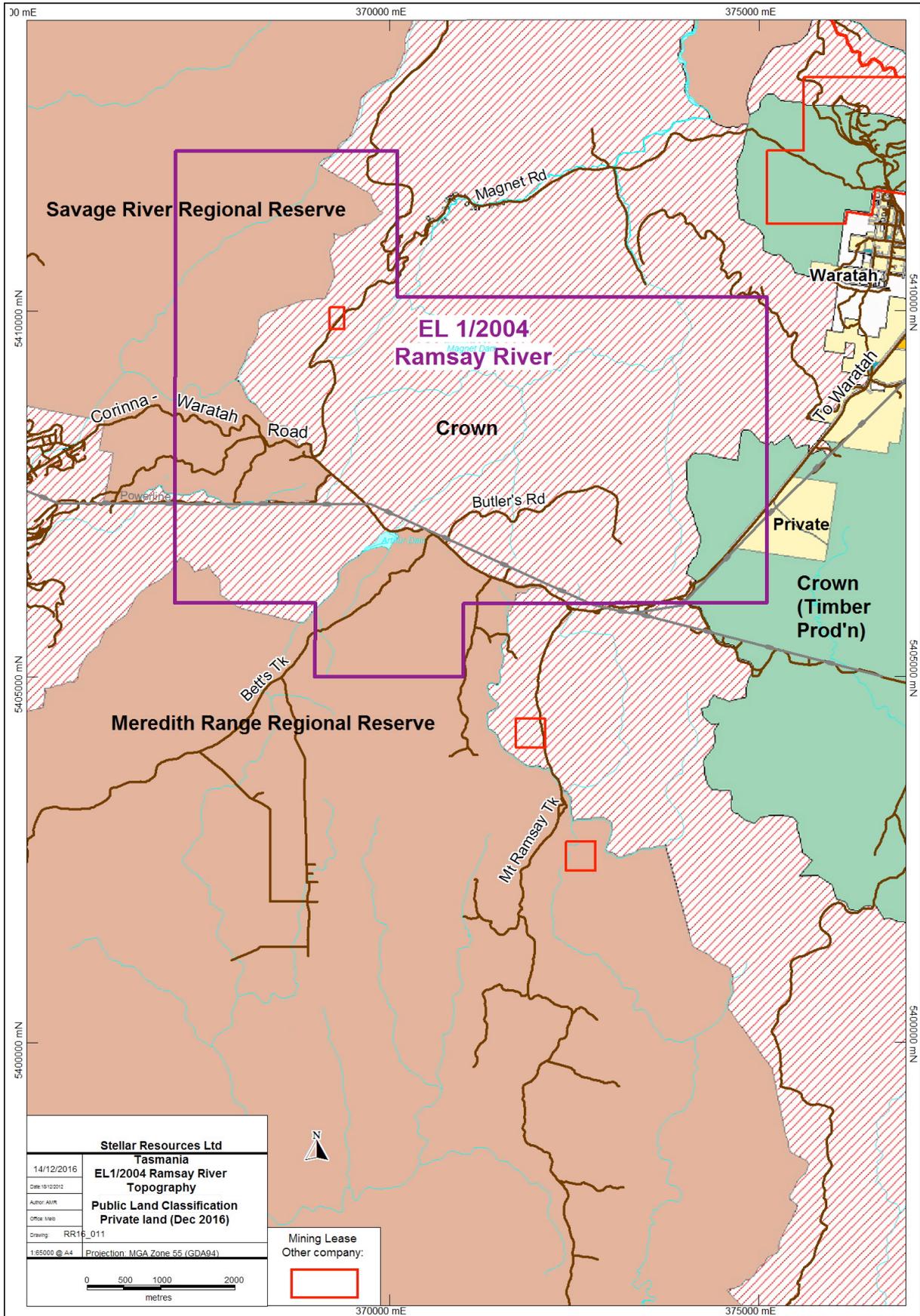
The area comprises:

- Private Property
- Multiple Use State Forest
- MDC Informal Reserve
- Meredith Range Regional Reserve
- Savage River Regional Reserve

The licence area contains areas, which are listed (including listed on an interim basis) on the Register of the National Estate kept under the *Australian Heritage Commission Act 1975*.



• Figure 2. EL1/2004, MRT Geology Plan



• Figure 3. EL1/2004, Public Land Classification

2. REVIEW OF PREVIOUS WORK

Data from MRT digital geology, geophysics and geochemical datasets and open-file company reports has been captured, summarised and reviewed. Over the term of the licence several targets have been reviewed and field tested with soil geochemistry programmes and/or drilling.

Comstaff Ltd was the most active explorer over the Butler's Rd area. In 1983 Comstaff conducted a Dighem survey, defining five anomalies. In 1984 they took geochemical samples over the Dighem anomalies and cut their Butler's Rd grid, upon which they undertook geological mapping, soil geochemical sampling, a Genie EM survey & ground magnetics. The geological mapping showed a zone of tourmalinisation/greisenisation associated with the northern 'nose' of the Meredith granite. The geochemical sampling indicated anomalous Sn, Pb & Ag with minor Cu & Zn. Pb & As coincided with tourmalinisation/greisenisation. The Genie EM survey produced five anomalies, coincident with the Dighem results, but more accurate.

In 1987 BHP, in an arrangement with Comstaff, drilled hole BR1 into the Butler's Hill EM/mag anomaly (SRZ RY01). The 32m vertical hole hit mineralisation from 1m below surface to 10m. Sub-vertical veins of calcite-siderite-quartz with sphalerite, minor galena and cassiterite including trace chalcopyrite in hornfelsed sediments were intersected. Granite was not intersected. Assay analyses: 8.5m @ 1.65% Zn, 0.27% Pb, 0.08% Sn, 29g/t Ag, incl 2.8m @ 4.27% Zn, 0.71% Pb, 0.18% Sn, 71g/t Ag, and 0.25m @ 4.42% Zn, 0.91% Pb, 0.17% Sn, 74g/t Ag, and 0.40m @ 2.89% Zn, 0.09% Pb, 0.15% Sn, 21g/t Ag. No further work was done.

Pasminco Exploration Ltd held the whole licence area from 1996 to 1998. They flew the "Waratah" aeromagnetic survey (100m fls), and for the Butler's Rd area reviewed previous exploration work followed by a ground magnetic traverse along Butler's Rd. No further work was done.

MRT conducted two geophysical surveys that included the licence area, the 2001 WTRMP Area C 200m fls aeromagnetic survey, and the 2002 WTRMP Meredith granite 200m fls HEM survey. Stellar later reviewed the HEM survey data with Dr Jovan Silic and Dr Tom Whiting both (separately) selecting anomalies for testing. EM anomaly RY02 had been detected in previous survey work, but had not been tested.

During 2006 Stellar carried out a mapping and soil/rock chip programme aimed at identifying potential nickel targets in the ultramafic rocks that outcrop around the northern end of Betts Track and near Arthur Dam. The company also carried out a five hole (AD005 – AD009), 1200 m diamond drilling program that was primarily aimed at the further testing of known base metal targets near Arthur Dam. One drill hole tested a magnetic anomaly just west of the entrance to Betts Track. The conclusions were:

- Serpentinised pyroxenite bodies around the northern end of Betts Track and Arthur Dam are relatively small, structurally emplaced lenses with limited potential for nickel mineralisation;
- Hornfelsed, greywacke sandstone that contains substantial magnetite as disseminations and in veinlets is the likely source of strong aeromagnetic anomalies around Betts Track and Arthur Dam;
- Vein style copper mineralisation in the eastern part of the Arthur Dam prospect appears to be of sub-economic grade. However, there is potential for the further drill testing of vein style zinc, lead and silver mineralisation in the south western part of the Arthur Dam prospect.

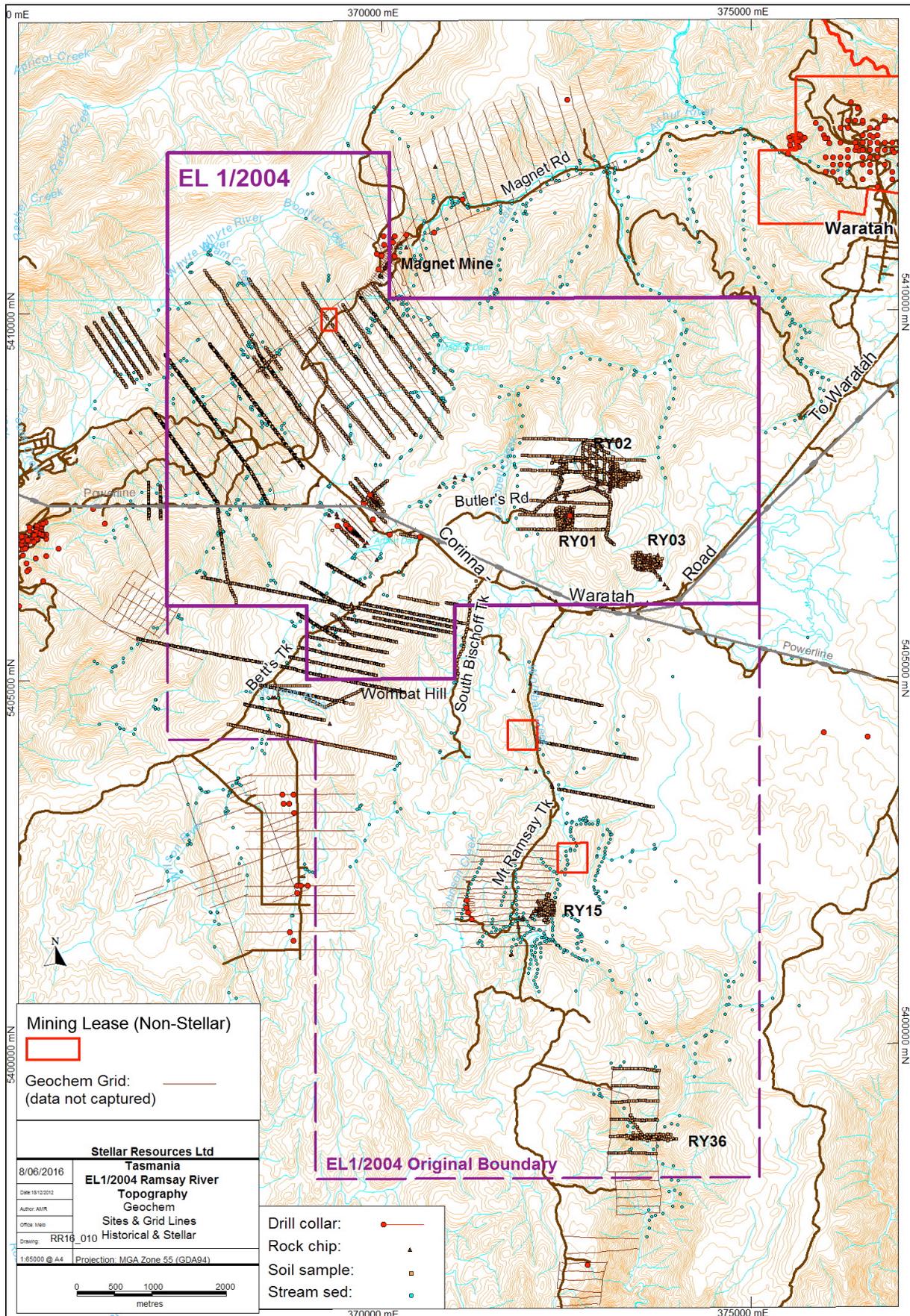
During February 2009, 36 samples of soil or rock were collected from channels cut in the walls of a series of old costeans and adits south of the Magnet Mine, and assayed for Cu, Pb, Zn, Ag, Sn & Au. These workings were cut across the southern extension of the structure hosting the Magnet mineralisation. Only one sample, from the northernmost adit, returned any significant assays (0.4 %Pb, 1.9 %Zn & 17 g/t Ag).

In 2011 Stellar conducted soil geochemical surveys in five areas of the then licence area to test prioritised EM/mag/geochem anomalies defined through earlier analysis (Silic, 2006) of the 2002 WTRMP Meredith Granite airborne EM survey. Four EM anomalies lie within the current licence area, no's RY01, 2, 3 & 25, with three (RY01, 2 & 3) having been geochemically sampled.

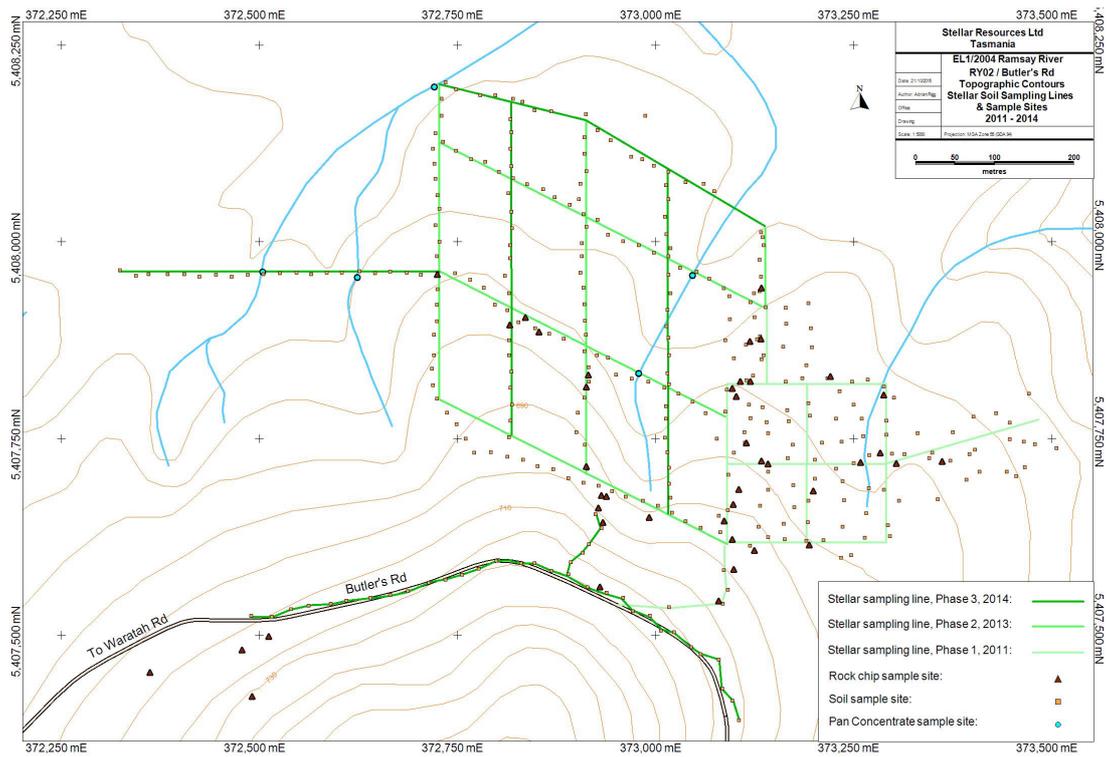
RY01, an EM/mag/geochem anomaly on 'Butler's Hill' near Butler's Road, previously sampled and drill tested by Comstaff/BHP, was soil sampled and mapped. Results confirmed the Comstaff sampling, showing anomalous Sn, Pb & Zn in a greisenised zone. There was no apparent relationship between the EM anomaly and the adjacent magnetic anomaly. A tin zone of up to 170ppm in soil was defined over and to the east of the EM anomaly. No further work is considered warranted on RY01.

RY02, an EM/mag/geochem anomaly 900m north-east of RY01 near Butler's Road, also previously soil sampled by Comstaff was sampled and mapped. Again Comstaff sampling was confirmed, showing anomalous Sn, Pb & Zn in a greisenised zone. There was no apparent relationship between the EM anomaly and an adjacent magnetic anomaly. There was no coherently anomalous tin over the EM anomaly and no geochemical anomalism over the magnetic anomaly. From the western flank of the RY02 EM anomaly, an anomalous tin zone, larger than that of RY01, extends west for approximately 600m. Following four surface geochemical sampling programmes, the 600m x 300m area (as at 2015) appears to be closed. Rock chip assays range up to 5000ppm, soil assays range up to 3700ppm and pan concentrate assays range up to 11.9%. Phase 1 sampling was conducted in June 2011, Phase 2 in February 2013 and Phase 3 in March 2014, all extending west. See annual reports 2011, 2013 & 2014 for detailed results. Phase 4 was conducted in January / February 2015. Assays in the westernmost Phase 3 and 4 areas are generally higher and more anomalously coherent, with an encouraging transition to a more favourable geological environment. RY02 remains prospective.

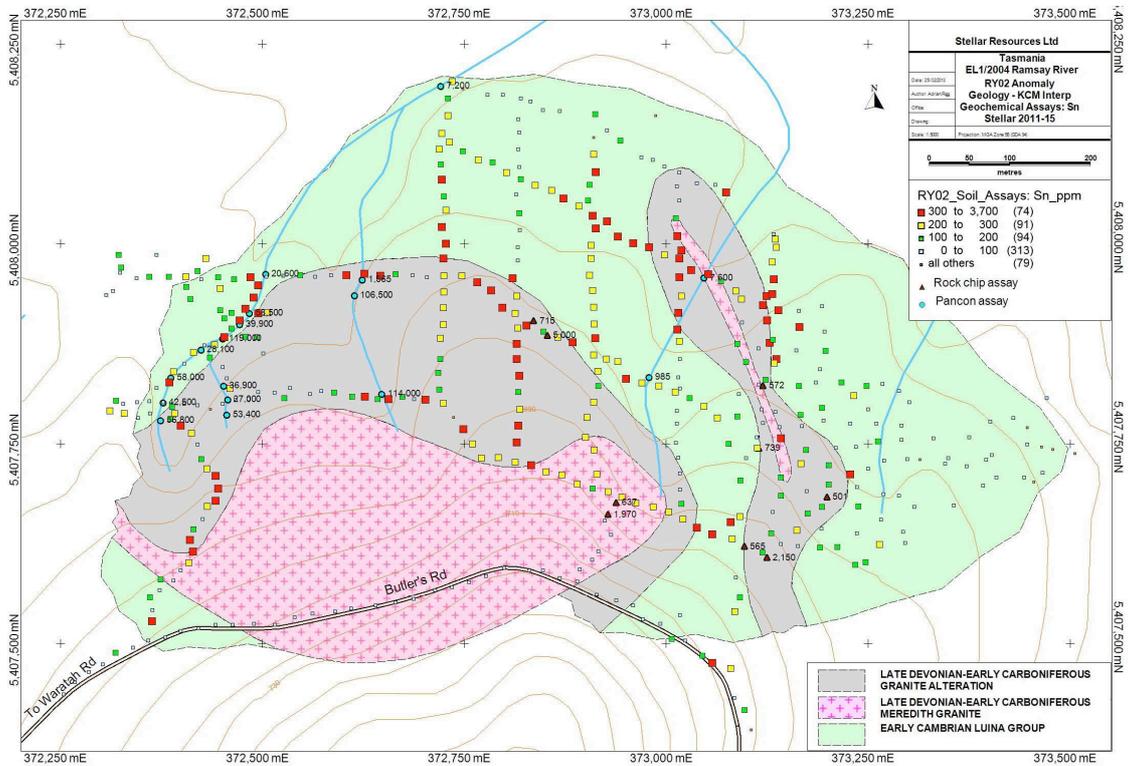
RY03, 1200m south-east of RY01, represented a weaker EM/mag target. The low-order geochemical response was reflective of the geology, rather than elevated mineralisation. No further work is considered warranted on RY03.



• Figure 4. EL1/2004, Previous Exploration Grids



• Figure 5. EL1/2004, RY02 Tin Prospect Exploration Grid.



• Figure 6. EL1/2004, RY02 Tin Prospect Exploration Results.

3. EXPLORATION COMPLETED DURING THE REPORTING PERIOD

3.1. REGIONAL EXPLORATION ACTIVITIES

3.1.1. Data Acquisition, Mapping & Analysis

MRT digital geology and geophysics datasets, DPIWE topographic data as well as data captured from open-file company reports have been used to produce various maps (appended). Exploration data from Aberfoyle, Cleveland Tin, Comstaff, Geopeko, MPI, MRT, Pasminco, Renison, RGC, Placer Dome and Jaguar has been further digitised and captured from MRT open-file reports.

There has been extensive geological, geochemical and geophysical survey programme coverage since the 1960's especially in the northwest along the Cleveland-Magnet trend and environs, with other specific programme areas in the east and south. Tin has been the focus for much of the prior exploration in the northwest and central parts of the licence, with exploration for base metals at Arthur Dam and in the south. Generally only four elements (Sn, Cu, Zn, Pb) have been assayed in most areas.

Where available cobalt and lithium (Co & Li) geochemical results have been plotted. No significant anomalies were found on the EL but these elements have not been routinely assayed so coverage is limited.

Revision, interrogation and interpretation of the database continues.

4. PROPOSED EXPLORATION

4.1. RY02 PROSPECT

There is no need for further mapping or geochemistry and due to the lack of sulphide and the abundance of tourmaline, it is unlikely that geophysics would resolve internal detail within the anomaly. The Phase 5 geochemical sampling proposed in the ATR 2014, and postponed in 2015 is now regarded as unnecessary. The prospect is at a stage where any further exploration should involve drilling.

The drilling of one 200m hole would test the exploration concept of the mineralised zone rather than test a specific spot anomaly. The hole should establish the tenor and distribution of the predicted greisen style mineralisation at the granite-wall rock contact and within the quartz-tourmaline aureole. It would also determine whether at depth there is any change in mineralisation style and grade. Two possible locations are shown in Figure 7 below.



• Figure 7. EL1/2004, RY02 Tin Prospect Proposed Drilling.

5. EXPENDITURE

2016 expenditure on EL1/2004 totals **\$16,500.15**. See expenditure break down below in Table 2.

| Rubicon Ltd. Transaction Report Dec'15 – Nov'16 | | | |
|---|--|---------------------------|--------------------|
| Job: EL1/2004 Ramsey River | | Description | Amount |
| | | Technical | \$8,372.45 |
| | | STAFF COSTS | \$8,372.45 |
| | | | |
| | | Professional Technical | \$2,626.25 |
| | | CONTRACT PERSONNEL | \$2,626.25 |
| | | | |
| | | Rents / Other Utilities | \$2,953.45 |
| | | TENEMENT COSTS | \$2,953.45 |
| | | | |
| | | Administration | \$2,548.00 |
| | | OVERHEADS | \$2,548.00 |
| | | | |
| Report Total: | | | \$16,500.15 |

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Keywords

Location: Waratah - Luina
Mineralisation environment: Stockwork veins, skarns,
Minerals: Galena, Sphalerite, Cassiterite, Arsenopyrite, Magnetite
Exploration methods: Geochemistry, Aeromagnetics, Drilling
Mine/prospect name: Magnet Mine, Betts track, Arthur Dam, Butlers Road
Stratigraphic name: Oonah Formation, Cleveland-Waratah Association, Meredith Granite
Whyte River Complex
Lithologic name: Sandstone, shale, dolomite, basalt, volcanoclastic, breccia, granite
Geological Province: Dundas Trough, Betts Basin
Geological age: Neoproterozoic, Palaeozoic, Devonian, Tertiary