



STELLAR RESOURCES LIMITED
Columbus Metals Ltd

EL 6/2014 STONEHENGE CREEK
RELINQUISHMENT REPORT
15 SEPTEMBER 2014 – 14 FEBRUARY 2018

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ABSTRACT

This relinquishment report for EL6/2014 Stonehenge Creek, covers the period from 15th September 2014 to 14th February 2018.

Exploration Licence 6/2014 is held by Columbus Metals Pty. Ltd. a wholly owned subsidiary of Stellar Resources Limited.

The geology and base-metals +/- tin mineralisation of the north/north-east/east of EL6/2014 was considered potentially similar to ML2023P/M to the north. This is a similar mineralogically zoned geological/mineralisation model as that of ML2023P/M, which includes the Queen Hill, Severn and Montana tin orebodies.

The north/north-east/east area has a complex geology and structure and has been subjected to intense exploration for base-metals by previous companies with the delineation of economic mineralisation having been largely unsuccessful. Columbus Metal's focus was the location of veined tin mineralisation in sediments above a Devonian granite cupola.

Columbus Metal's review of historical data was not sufficiently encouraging in defining any robust targets beyond those that have previously been drill tested. Columbus Metal's re-interpreted aeromagnetic data which identified a circular zone of elevated magnetic intensity that could be interpreted as either a granite cupola or magnetic sediments below a reverse thrust fault. On review of geological logs for drill holes SDD01 and SDD02 it was considered that the holes had tested the magnetic anomaly adequately, without revealing any evidence of granite emplacement. This conclusion was also supported by the identification of volcanics within the logs located below the thrust, that showed mild magnetic susceptibility that may be responsible for the TMI response. Columbus Metal's is therefore relinquishing EL6/2014.

Expenditure from 15/09/2017 to 14/02/2018 totalled \$19,406

Expenditure from 15/09/2014 to 14/02/2018 totalled \$79,067

TABLE OF CONTENTS

ABSTRACT	1
1. INTRODUCTION	1
1.1. EXPLORATION RATIONALE	1
1.2. GEOLOGICAL SETTING	1
1.2.1. Tin Mineralisation	1
1.3. LICENCE	3
1.4. LAND TENURE	5
1.4.1. Schedule.....	5
1.4.2. Land Tenure.....	6
2. REVIEW OF PREVIOUS WORK	7
3. EXPLORATION COMPLETED DURING THE REPORTING PERIOD	13
4. DISCUSSION & CONCLUSIONS	13
5. ENVIRONMENT	13
6. EXPENDITURE	13
7. REFERENCES	14
<i>Keywords</i>	15

List of Figures

Figure 1. EL6/2014 Stonehenge Creek: Licence Relinquishment Area 4

Figure 2. EL6/2014 Stonehenge Creek: MRT Licence Area..... 5

Figure 3. EL6/2014 Stonehenge Creek: Land Tenure..... 6

Figure 4. EL6/2014 & ML2023P/M: MRT Geology Map 8

Figure 5. EL6/2014 & ML2023P/M: Aeromagnetics 9

Figure 6. EL6/2014: Historical Mines and Surface Lodes (Waller 1904)..... 10

Figure 7. EL6/2014: Historical Ground Exploration Surveys..... 10

Figure 8. EL6/2014: Historical Geochemical Sampling 11

Figure 9. EL6/2014: Airborne Geophysical Surveys..... 11

Figure 10. EL6/2014: Historical Drilling 12

Figure 11. EL6/2014: Historical Drilling with Geochemical and Geophysical Anomalies 12

APPENDICES

- 1. Maps Files (Digital)

1. INTRODUCTION

1.1. EXPLORATION RATIONALE

Stellar noted a number of similarities between the geological setting and observed mineralisation on the EL6/2014 and that on ML2023P/M to the north. While the tenor of tin mineralisation at surface at Queen Hill on ML2023P/M is significantly greater than that recorded from EL6/2014, the geology, geophysics and base-metal mineralisation are indicative of a similar mineralising environment.

The Zeehan tin deposits on ML2023P/M are Devonian granite related cassiterite-pyrite-pyrrhotite-basemetal stockwork and replacement style deposits hosted in Proterozoic and Cambrian sediments and volcanics. The stratabound mineralisation is structurally controlled on fold/fault dilation zones between lithologies of contrasting rheology. Tin occurs principally as cassiterite with minor stannite and base metal sulphides located towards the top and periphery of the deposits. Three steeply dipping and moderately plunging tabular deposits have been delineated over an area of 600m by 500m to 500m depth - the Severn, Queen Hill and Montana deposits.

Columbus Metal's considered that the main magnetic anomaly in the centre of EL6/2014 may be due to a Devonian granite, which might be at depth below Crimson Creek and Oonah Formation aged sediments. See Figure 5.

Inversion modelling of TMI and re-interpretation of drill logs for SDD01 and SDD02 was undertaken in order to identify drill targets to test the model. See Figure 5.

1.2. GEOLOGICAL SETTING

The geology of EL6/2014 is complex but comprised principally of a slice of Precambrian Oonah Formation rocks thrust over younger Cambrian rocks of the Dundas Group by the Tenth Legion Thrust. See Figure 4. Exposure within the licence area is poor. The Oonah Formation limestones and shales, which drilling indicates form a major proportion of the stratigraphy, rarely outcrop.

The Cambrian Dundas Group rocks, comprising interbedded volcanics, basalts, mudstones and shales, are associated with older Cambrian Mclvor Hill mafic-ultramafic rocks which appear to be structurally emplaced into the sequence but stratigraphic and structural relationships are complex.

The Devonian age Heemskirk Granite outcrops about three to four kilometres to the north-west of the EL. Through gravity interpretation, Stonehenge Metals inferred the granite to underlie the EL at a depth of 1-2 kilometres, while RGC inferred the granite top to lie at approximately 400m depth. No drilling has intersected granite or indicative alteration to date.

Fault trends are generally west-north-west and north-north-west to north-north-east, with the major WNW striking, north dipping Balstrup Fault forming the northern boundary of the block of Oonah rocks on the northern edge of the tenement. In the south the Oonah Formation is fault bounded by the low angle Tenth Legion Fault that has overthrust the younger Cambrian sequence (Stonehenge 2008, reviewed TC). This has been confirmed by conductivity depth slice interpretation of SkyTEM data.

A large aeromagnetic high is a feature of the centre of the EL. See Figure 5.

Various geophysicists have attributed the anomaly to:

- a granite cupola with peripheral sulphide or magnetite skarn bodies
- a very large pyrrhotite-rich orebody
- a Cambrian ultrabasic high magnesian basalt (the Mclvor Hill Complex rocks).

1.2.1. Tin Mineralisation

Anomalous surface tin geochemistry on EL6/2014 is sporadic, however is noted to be often coincident with mapped structures and lode zones (e.g. Grubb's, in the south-east of the EL). Anomalous tin on ML2023P/M also appears to be commonly associated with mapped lodes. Eight rock chip samples with Sn >100ppm are noted (to a maximum of 1050ppm) mostly associated with high Pb, Zn and sometimes WO assays. Six soil samples of Sn >100ppm are noted (to a maximum 760ppm), some associated with high base-metal values. Tenneco reported in their 1971 Spray Mine evaluation program that "Vertical zoning of the mineralisation is not strongly evident although there is an increase in pyrite and chalcopyrite content with depth". Two samples from the lowest level of the Spray (No. 6) assayed 0.12% Sn whereas no tin was detected in the few samples assayed for Sn from the upper levels. C. Loftus-Hills (1947) suggested there was a drastic change in ore type at No 4 level where

"the galena rich ore changed to jamesonite ore with little or no galena" (and high antimony). See Figure 6.

RGC drilled six holes (170 to 599m) from 1983 to 1985 in the area from the Spray Mine to approximately 900m south-west of the mine, to test for replacement-style tin hosted by dolomite horizons within the faulted Upper Oonah Formation. Highly anomalous base-metal zones were encountered. Tin assays for selected zones were very low except in hole TH16 near the Spray Mine, where a decrease in Pb, Ag & Zn was noted with a corresponding increase in Sn, As & Cu, indicating mineralisation zoning (as seen at Queen Hill). Sn assayed 0.07% at 333m and 0.10% at 382m. Hole TH13, 600m south-south-west of the Spray Mine intersected 6m of an arsenic bearing pyritic breccia, which was suggested as representing the possible upper or lateral limit of a zoned, tin-mineralised system.

CRAE drilled three holes (231 to 251m) approximately 900m south-west of the Spray Mine in 1992 to test for stratiform mineralisation. Highly anomalous base metals were encountered. Tin assays within the base metal zones were mildly elevated (25 - 41ppm) including one at 510ppm.

See Figures 10, 11.

1.3. LICENCE

Tenement number: EL 6/2014

Tenement name: Stonehenge Creek

Tenement location: Centred four kilometres south-west of the Zeehan post office, access is gained by vehicle from Zeehan via the sealed Trial Harbour Road which passes north of the licence, thence through a locked gate along an unsealed track through the Comstock mine area at the north-west of the licence. Access is also gained from the town past the golf course, through a locked gate, and past the Spray mine in the north-east of the licence. Old exploration tracks provide access to the north and east of the licence with other areas requiring foot access. The untracked south-west is somewhat swampy, while the untracked southeast has hilly and well-drained terrain (see Figure 1).

The licence covers an area of 8km², which extends west 3.5 km from between Manganese Hill and Mt Zeehan, to as far as the Comstock mine workings. The whole of the EL area is gazetted Crown Land, with the majority under DPIPWE, and a 250m north-south strip on the east being under Parks & Wildlife (see Figure 1).

Reporting period: 15 September 2014 to 14 February 2018.

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

LOCATION OF LICENCE

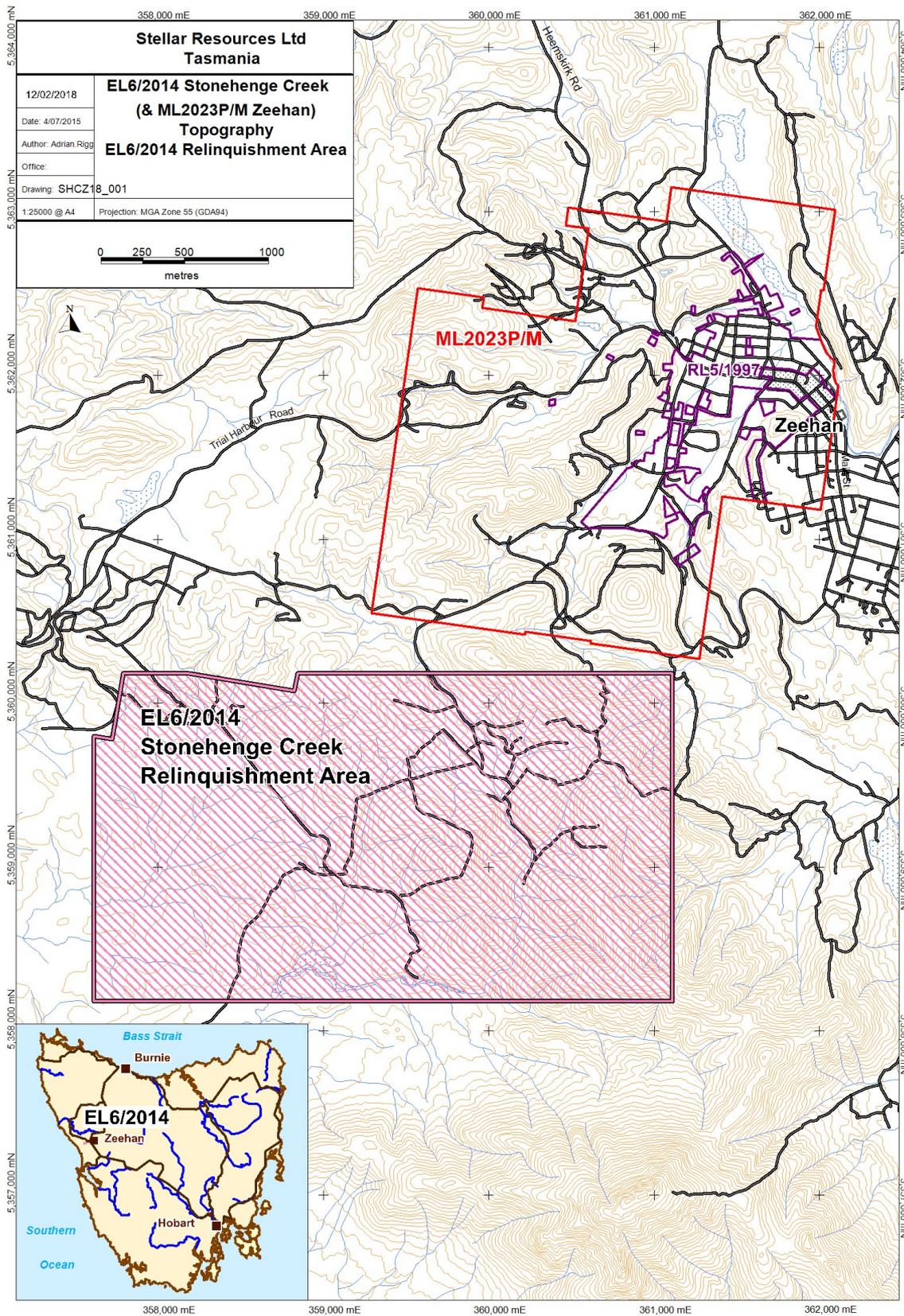


Figure 1. EL6/2014 Stonehenge Creek: Licence Relinquishment Area

1.4. LAND TENURE

1.4.1. Schedule

LAND DISTRICT OF MONTAGU
VICINITY OF ZEEHAN
MUNICIPALITY OF WEST COAST
EXPLORATION LICENCE 6/2014 8 km²

COLUMBUS METALS LTD

Schedule 1: **The Licence Area**

The area shown surrounded by magenta lines on the attached map of the Licence Area.
Total area of the Licence Area: 8 km²

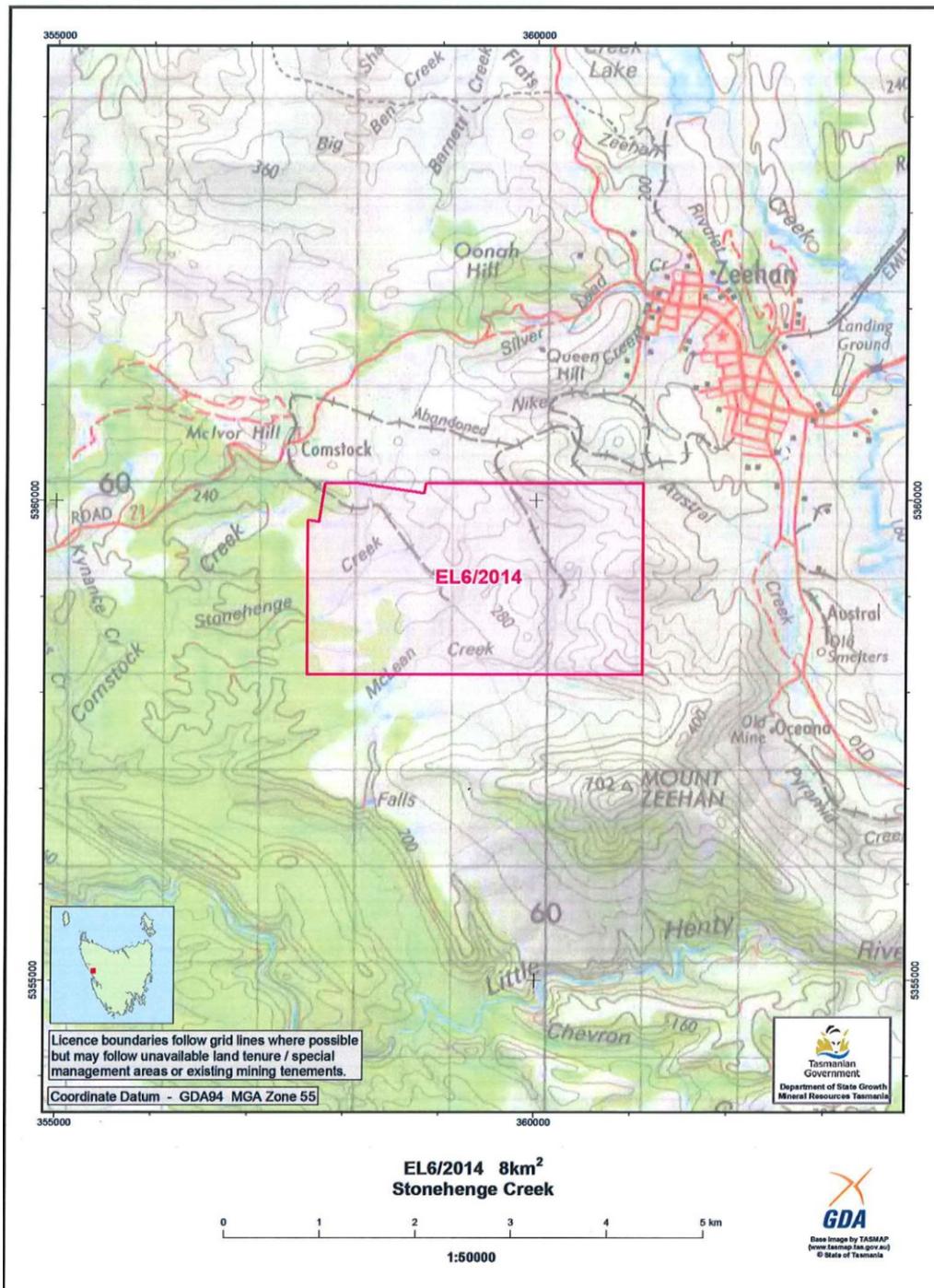


Figure 2. EL6/2014 Stonehenge Creek: MRT Licence Area

1.4.2. Land Tenure

The area comprises: Crown Land.

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*.

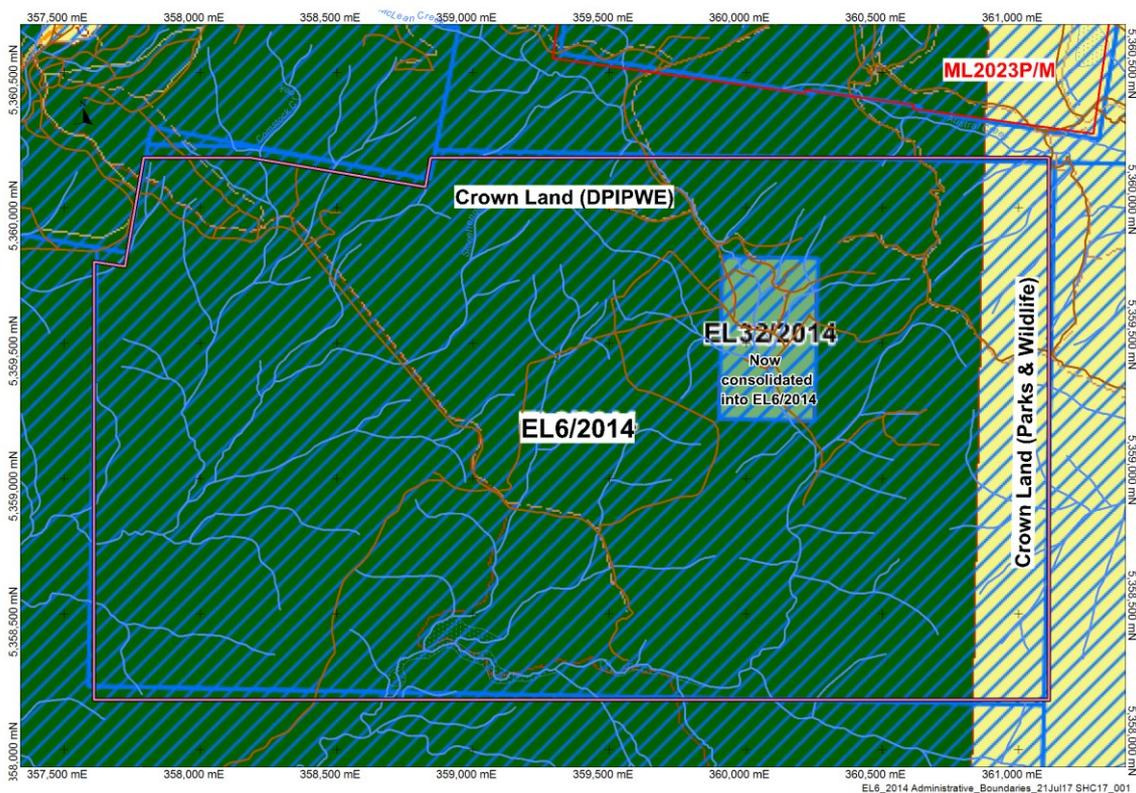


Figure 3. EL6/2014 Stonehenge Creek: Land Tenure

2. REVIEW OF PREVIOUS WORK

EL 6/2014 is located within the historical South Heemskirk Mineral Field. The general area has been subjected to rather sporadic exploration activity since the 1870's. It contains numerous old silver-lead-zinc fissure-lode prospects most of which were worked in the period 1882-1910. From 1919 until 1946 the field was relatively untouched except for occasional, sporadic, relatively low-intensity exploration activity. See Figure 6.

Between 1946 and 1960 Zeehan Explorations Pty Ltd (a joint venture between North Broken Hill and Broken Hill South) carried out ground surveys to determine the continuity of the Spray – Nubeena lode zone and initiated BMR managed magnetic, gravity and electrical surveys. The Tasmanian Mines Department drilled 4 holes in the area, with three at the old Tasmanian Mine.

From 1966 to 1970 Placer Prospecting Pty Ltd focussed their attention on the Spray Mine conducting a TURAM EM survey over the main lode. Minops Pty Ltd farmed into the project and drilled several holes. This work was largely in the north of EL 6/2014.

From 1970 to 1972 Tenneco Pty Ltd dewatered, sampled and drilled the Spray lodes, cutting a jamesonite lode (0.2m at 16.8% Pb, 0.08% Zn, 8.8% Sb, 1.4% Cu, and 271 oz/t Ag.) which was of very limited extent. A TURAIR airborne EM survey covered much of the Gordon Limestone outcrop. Follow up gravity, Turam ground EM and SP surveys produced mixed results. Again this work was concentrated mainly in the north of the EL.

During the 1980's and 1990's the Stonehenge area was targeted for stanniferous sulphide-rich carbonate replacement (Renison-Bell style) mineralisation by RGC (six DD holes drilled at the Stonehenge & Sunshine prospects) and for Proterozoic shale-hosted zinc deposits by CRAE.

CRAE entered a joint venture arrangement with Allegiance Mining NL during the 1990's, with work resulting in the discovery of the Avebury nickel deposit. CRAE also drilled three DD holes and 27 AC holes at the Sunshine Mine. Upon the withdrawal of CRA from the JV in 1996, Allegiance gained title to the entire area and in 2000 drilled two DD holes at Sunshine. Allegiance relinquished the eastern half of EL 28/88 and 7km² of it was taken up by the McDermott brothers, as EL 17/2003.

McDermott's holding was subsequently sold to Stonehenge Metals Limited in December 2006. Stonehenge conducted a significant amount of work on the Stonehenge (EL17/2003) and Sunshine (20M/2001) leases from 2007 to 2010 including:

- Drilling 7 RC drill holes and 16 DD holes at Sunshine,
- Drilling 10 DD holes at Swansea,
- Drilling 2 DD holes at the Stonehenge nickel project (one located in the Swansea area).

As a result of the work done on the Sunshine deposit, Stonehenge estimated an Inferred Resource of 287,600 tonnes grading 2.8% zinc, 1.5% lead and 31g/t silver (8,000 tonnes of zinc, 4,200 tonnes of lead and 291,000 ounces of silver).

Moonraker Minerals P/L (RMG Ltd) purchased EL17/2003 and RL2/2012 from Stonehenge early in 2012. During 2012 Moonraker drilled three DD holes at the Sunshine Prospect and three DD holes at the "CRA Zinc Zone" Prospect. The licences were surrendered in 2013. Site rehabilitation was completed in 2015.

During 2014 – 16 Stellar collated and reviewed the historical data, created a drilling database and a digital terrain model and 3D model of the principal historical mine workings. PGN Geoscience undertook a review and re-interpretation of historic geophysical data to produce a 3D inversion model of the TMI image.

See Figures 7, 8, 9, 10, 11.

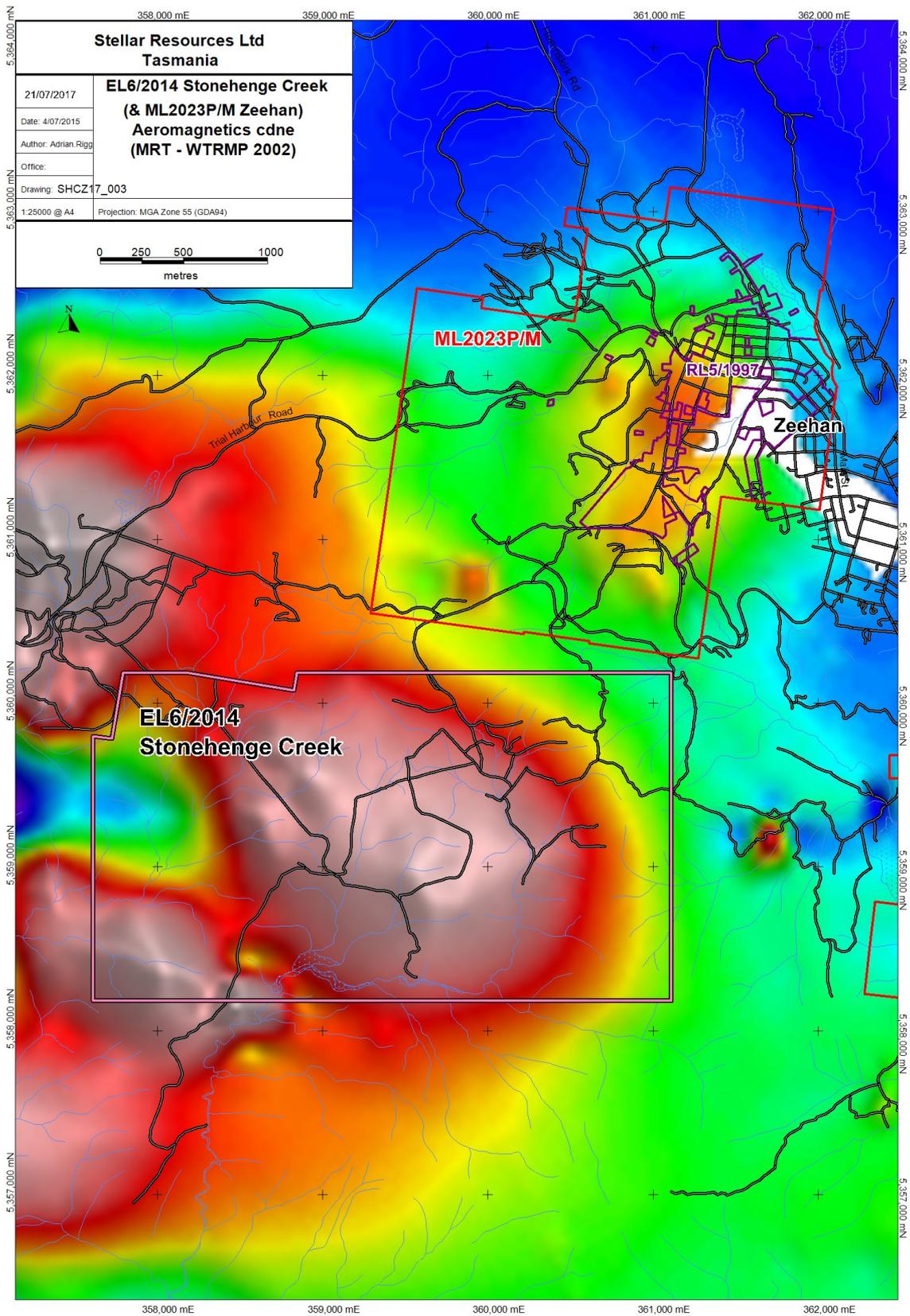


Figure 5. EL6/2014 & ML2023P/M: Aeromagnetics

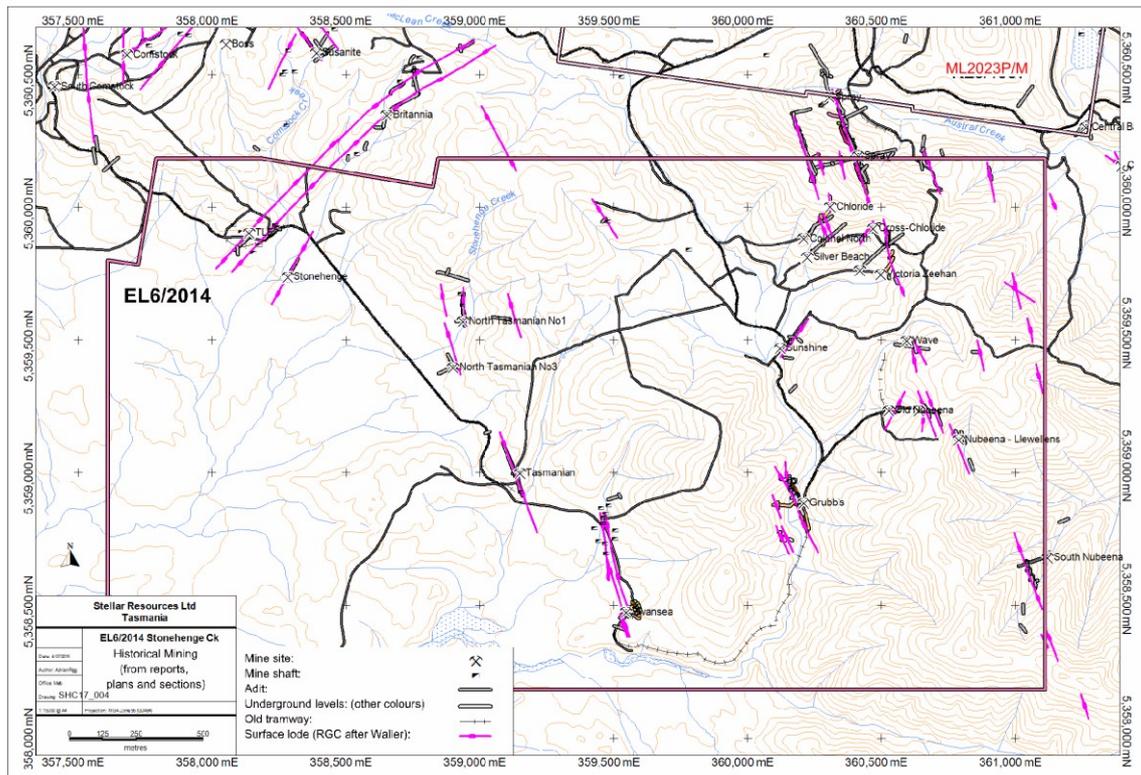


Figure 6. EL6/2014: Historical Mines and Surface Lodes (Waller 1904)

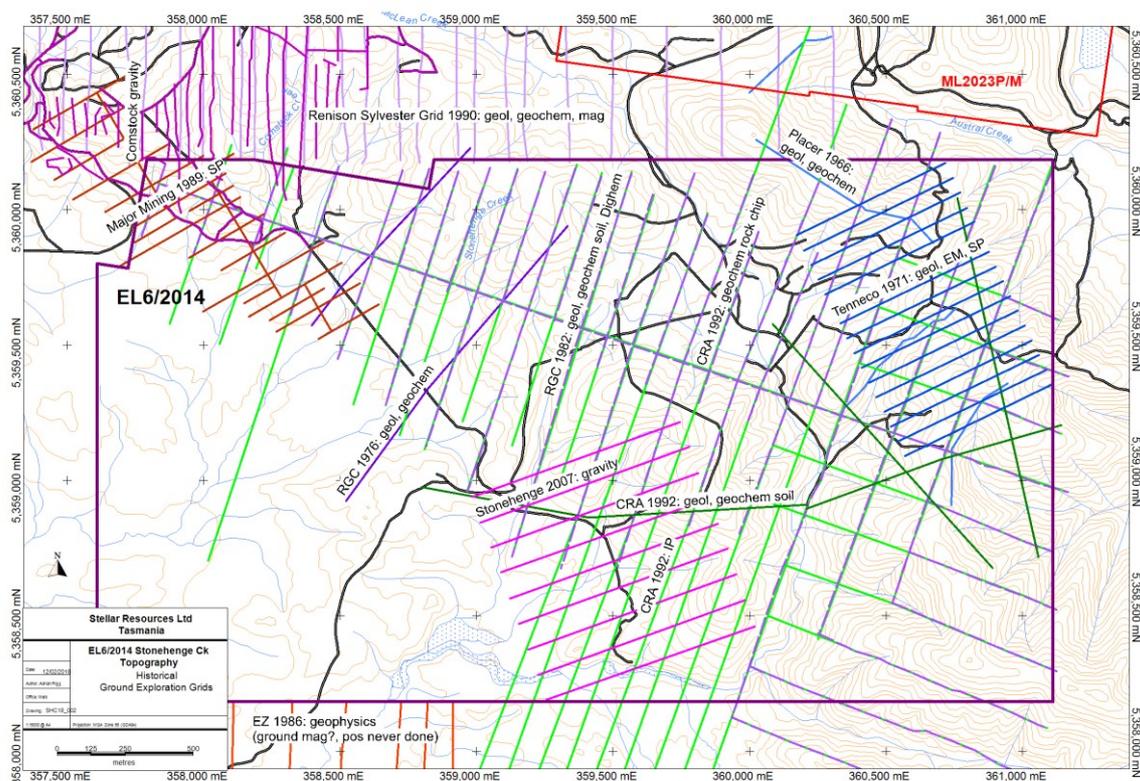


Figure 7. EL6/2014: Historical Ground Exploration Surveys

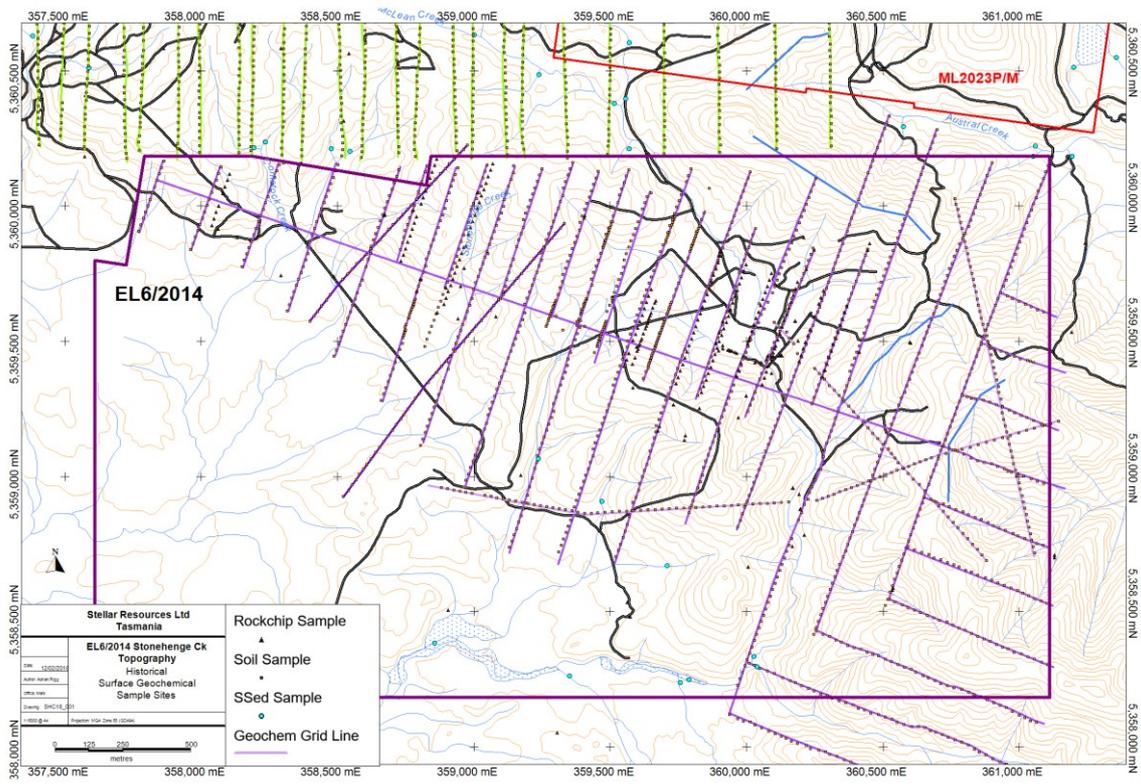


Figure 8. EL6/2014: Historical Geochemical Sampling

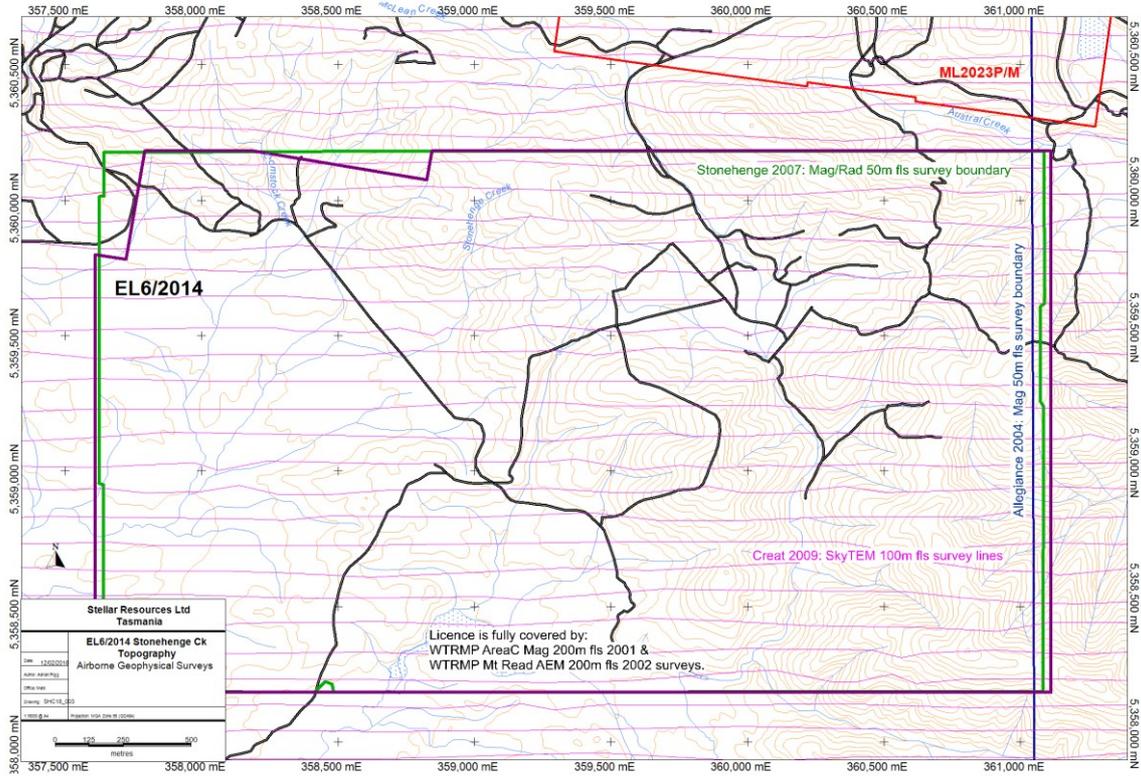


Figure 9. EL6/2014: Airborne Geophysical Surveys

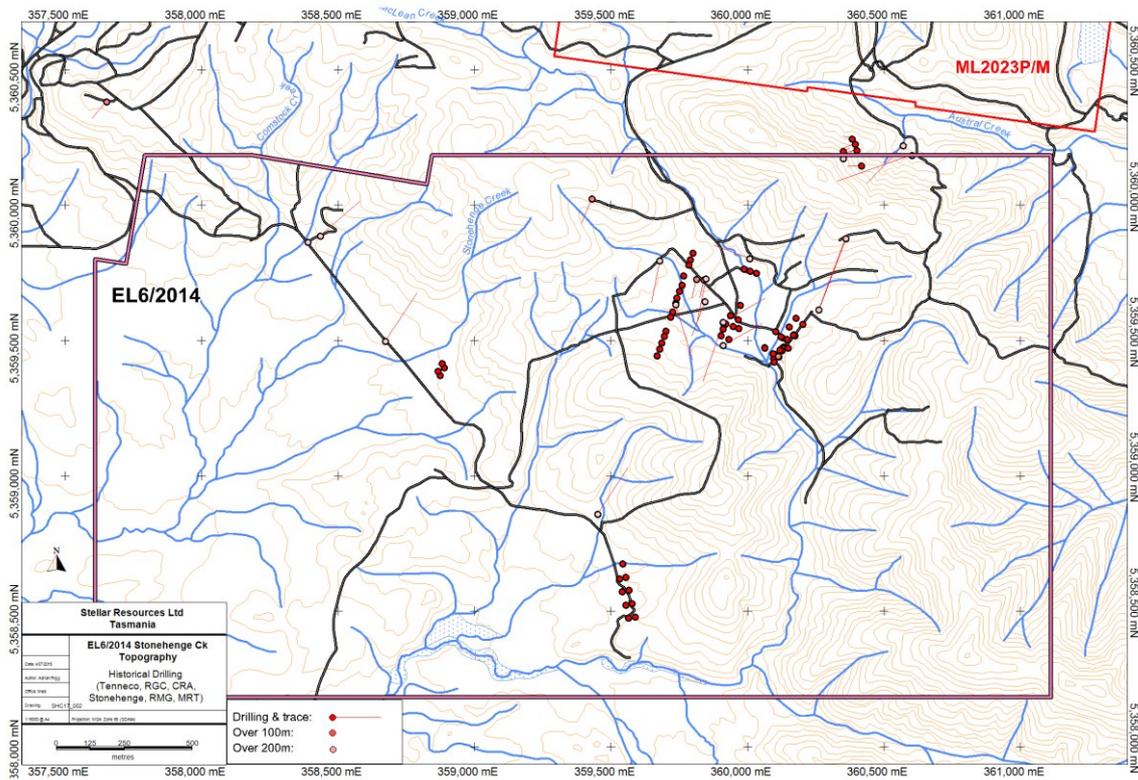


Figure 10. EL6/2014: Historical Drilling

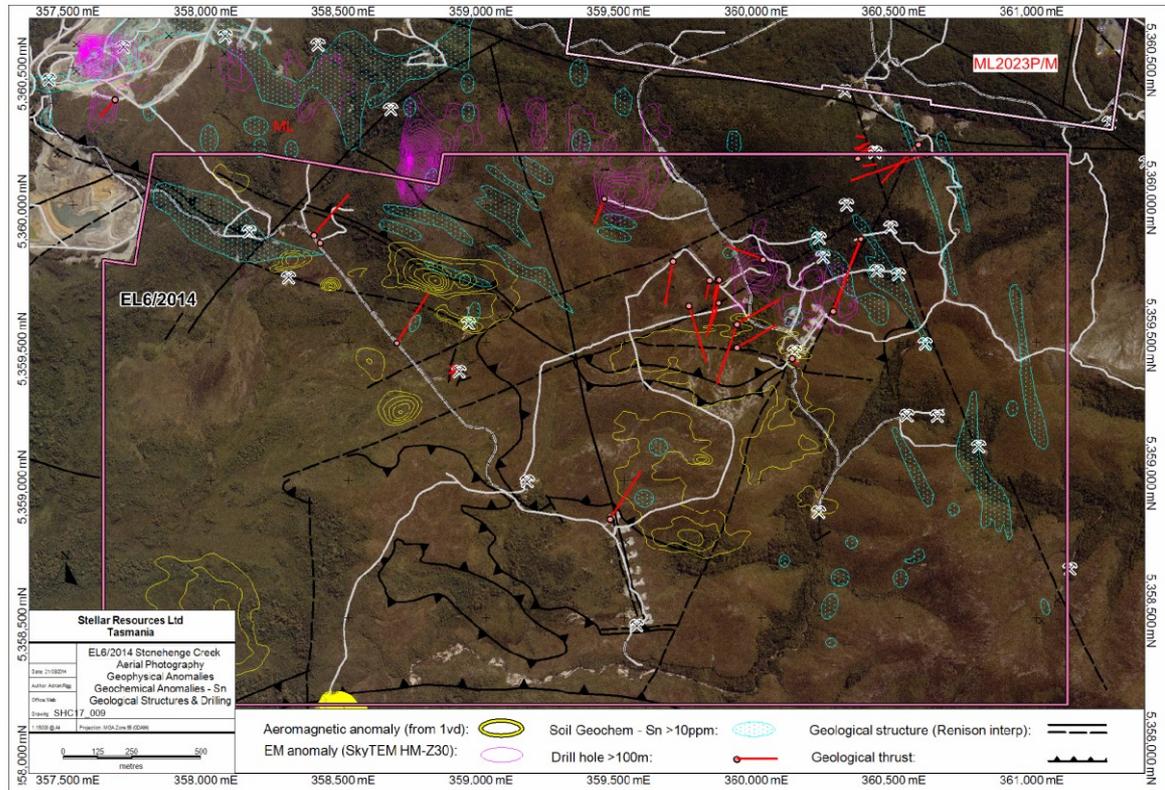


Figure 11. EL6/2014: Historical Drilling with Geochemical and Geophysical Anomalies

3. EXPLORATION COMPLETED DURING THE REPORTING PERIOD

No field work has been undertaken for the period September 2017 to February 2018.

4. DISCUSSION & CONCLUSIONS

EL6/2014 is prospective for silver-rich base-metal mineralisation of both fissure lode style and replacement or sedimentary-hosted style mineralisation. Significant exploration into these styles of mineralisation was completed by CRA, Minops, RGC, Stonehenge Metals, Moonraker Minerals and to a lesser extent Allegiance Metals, with Stonehenge defining a small resource (later work by Moonraker puts this in doubt).

Columbus Metal's interest in the area was based on the potential for a granite cupola disrupting the Oonah sediments and emplacing cassiterite and associated mineralisation along and adjacent to major north-west trending structures. Inversion modelling of historical aeromagnetic TMI data was inconclusive. In addition, review of geological logs and core photographs for SDD01 and SDD02 failed to show any evidence of granite emplacement or alteration mineralogy consistent with a cassiterite mineralising event. Accordingly, Columbus Metal's was unable to identify a suitable drill target within the zone of elevated TMI.

In the McLean Creek - Spray Mine zone there are 19 holes <100m, 4 holes 100-200m and 4 holes >200m in length, with seven of the thirteen held by MRT having not been assayed for tin. Following a review of geological logs it was decided that further inspection and/or assaying of the core was not warranted. Drilling in the carbonate zone south-west of the Spray suggests zonation of base-metals, however, there is only tin mineralisation in one hole downgrading the potential for a more significant tin occurrence.

Without any drill-test proof to date, the main magnetic anomaly in the centre of EL6/2014 may be due to a Devonian granite, which might be at significant depth, otherwise the anomaly may be due to ultramafic Cambrian rocks underlying a thrust of younger Cambrian rocks. The cause of the anomaly remains uncertain due to inconclusive drill testing.

Due to a lack of encouraging data modelling to support the generation of robust drill targets, further expenditure on the licence is not warranted.

5. ENVIRONMENT

As no fieldwork has been carried out during the period no site rehabilitation is required.

6. EXPENDITURE

Columbus Metals Limited	EL 6/2014 Stonehenge Creek	
Transaction Report	Expenditure 14/09/2017 - 07/02/2018	
Printed At: 7/2/2018 2:53:00 PM	Base Currency: AUD	Page: 1
Job No	Department	Class
Job Code: 9002	D1	GROUP
Phase : 105	STAFF COSTS	18615.50
	TENEMENT COSTS	791.20
	Total	19406.70

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Keywords

Location:	Zeehan
Mineralisation environment:	Sulphide Skarn
Minerals:	Sphalerite, Galena, Cassiterite, Stannite, Pyrite, Pyrrhotite, Magnetite
Exploration methods:	Historic Research, Database Development, Computer Modelling, Geophysical Interpretation
Mine/prospect name:	Stonehenge Prospect,
Stratigraphic name:	Oonah Formation, Mclvor Hill Mafic-Ultramafic Complex, Dundas Group, Heemskirk Granite
Lithologic name:	quartzite, volcanoclastic, basalt, siltstone, shale, limestone, dolomite, granite
Geological Province:	Dundas Trough
Geological age:	Lower Neoproterozoic, Palaeozoic