



Robins Rise – Stellar Resources signs Earn-In Agreement with Red Metal and Phelps Dodge Australasia, Inc.

Drilling scheduled to commence

Stellar Resources is pleased to report that it has concluded a significant exploration Earn-In agreement with Australian explorer Red Metal Limited and Phelps Dodge Australasia, Inc., together known as “the Alliance”.

The agreement with the Alliance covers some 1,700km² and encompasses exploration licenses 3336 and 3436 of the Robins Rise project area. This is within the IOCGU province on the north-eastern margin of the Gawler Craton and we consider it prospective for Olympic Dam and Prominent Hill style copper-gold-uranium deposits.

The major **terms of the agreement** are as follows:

- The Alliance is committed to spending \$500,000 on exploration within the project area before December 2007;
- Thereafter, the Alliance may spend \$8million within 6 years to earn a 60% interest in the tenement areas;
- Stellar may retain a 40% interest or elect to convert to a 20% free carried interest, up to a decision to develop a mine;
- Red Metal will be the initial operator of the JV.

Stellar considers that technical input from the highly experienced exploration professionals from within the Alliance will ensure the effective exploration of these tenements. The increased expenditure rate will expedite the chances of making significant discoveries within the project area during the term of the agreement.

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The Program

Initially, the JV program will include drill testing five of the already defined targets which have geophysical signatures very similar to known IOCGU deposits. These targets have been identified in areas that comprise less than 10% of the project area.

A suitable drilling rig has been booked and drilling is expected to commence within the next 4 weeks.

In order to accelerate the identification of other prospective areas, the Alliance has agreed to spend \$100,000 on completing further gravity surveys by the end of this calendar year, to define additional target areas for drill testing in 2007.



The drill and exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr. C.G. Anderson (Fellow of the Australasian Institute of Mining and Metallurgy) who is a Director of the Company with more than twenty years experience in the field of activity being reported. Mr. Anderson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. It should be noted that the abovementioned exploration results are preliminary.

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