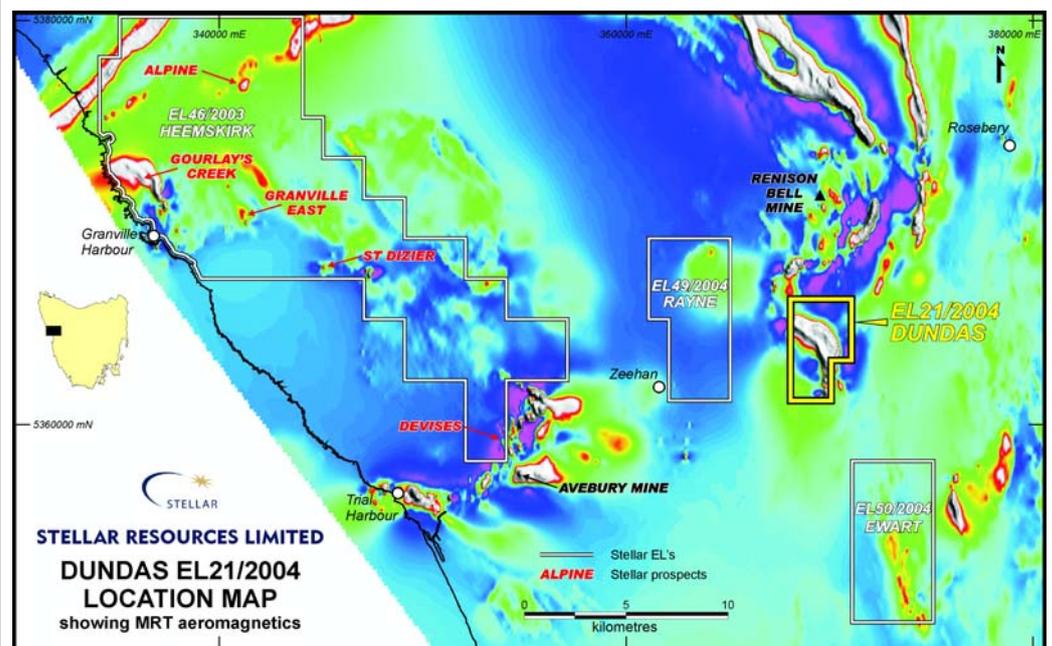


## Stellar Resources acquires nickel prospective ground – Dundas EL, near Zeehan, Tasmania

Stellar Resources is pleased to announce that terms have been agreed with Discovery Nickel Limited for the purchase of its Dundas nickel project, held on EL 21/2004, situated some seven kilometres east of Zeehan in Western Tasmania.

The Dundas exploration licence comprises an area of 12km<sup>2</sup> covering a discrete and high intensity magnetic anomaly, with strong similarities to the magnetic feature associated with the nickel mineralisation at the Avebury nickel deposit, which lies some 15 kilometres west of the Dundas EL.



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In consideration for the purchase, Discovery Nickel will receive 300,000 Stellar shares and will be granted a 2% net smelter return royalty over any production sourced from the Dundas EL.

This purchase is consistent with the strategy that the Board of Stellar has formulated for increasing the company's exploration focus in areas which are considered prospective for nickel, tin and base metals. Previous exploration in the area has not targeted nickel and the acquisition of this Dundas licence represents an excellent opportunity for Stellar to expand its already vigorous exploration activities in Tasmania.

The magnetic anomaly in the Dundas EL coincides with a large body of serpentinite in an area of more classic Ag, Pb, Zn vein-style deposits and tin mineralisation related to fluids from an underlying Devonian granite. This area is considered to bear strong similarities to the Zeehan mineral field adjacent to the Avebury deposit. At Avebury, nickel mineralisation is related to hydrothermal fluids interacting with mafic/ultramafic rocks close to Devonian granitoids and accumulating nickel at boundaries between the serpentinitised ultramafics and overlying stratigraphy.

Completion of a formal sale and purchase agreement is expected within a few weeks and Stellar expects to define targets for drill testing during the March 2007 quarter, subject to permits and rig availability.

The sale and purchase of EL 21/2004 is subject to the approval of the Tasmania Minister for Resources.

*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 20 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.*

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