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Drilling commences at Cowell and Sunshine, SA

Stellar Resources is pleased to advise that an extensive drilling program commenced over the weekend at three of its South Australian projects:

- 600m of diamond drilling to test **iron ore** targets located to the west of Cowell and 8km south along strike from Centrex Metal's Bungalow project
- 1,800m of RC and diamond drilling to test **IOCGU** targets to the northeast of Cowell. Previous drilling by Avoca Resources and Stellar identified anomalous copper, uranium and rare earths in basement stratigraphy within 200m of surface
- 3,000m of RC drilling to test a calcrete **gold** anomaly at the Sunshine project. The target stratigraphy is similar to that hosting the Challenger gold mine. Previous drilling identified moderate grade gold intersections based on calcrete anomalies 3km to the west of the current target.

Cowell Iron Ore (Stellar earning 75%)

Three diamond drill holes are planned to test a strong magnetic anomaly over a structurally thickened stratigraphic horizon interpreted as Middleback Range Hutchinson Group equivalent. Further to the north, and to the west of Whyalla, this stratigraphy hosts Onesteel's Project Magnet mine. At Cowell, the target horizon is 8 km along strike from known banded iron mineralisation defined by Centrex Metal's Bungalow project. Pirsá drilled the only exploration hole in the area of interest. Results confirmed the presence of Hutchinson Group stratigraphy, but the hole was stopped when banded iron was encountered without having tested the grade or extent of this mineralisation.

Cowell IOCGU (Stellar earning 75%)

Metasediment and granitoid stratigraphic equivalents of the Olympic Dam host rocks comprise the setting for this drilling campaign. Targets are defined by the intersection of northwest trending regional faults and alteration zones in the metasediments surrounding the Glensea granite (equivalent to Hiltaba granite in age). The alteration zones are often defined by magnetic highs adjacent to gravity lows with magnetite comprising the main alteration mineral.

Previous drilling by Avoca Resources on the periphery of one of the alteration zones identified veinlets of high grade copper and elevated rare earth grades in two holes. The current program involves two additional holes to test the core of the magnetite zone for IOCGU mineralisation.

Another two holes are planned for a second alteration zone characterised by a magnetic anomaly adjacent to a gravity low. Previous drilling identified anomalous uranium values.

The remaining two holes will test greenfield IOCGU targets in metasediments to the north of the Glensea granite and immediately east of the Charleston granite. The first of these is sited over a magnetic low adjacent to a north-south trending fault. The second will test a zone identified by a magnetic high and interpreted as a skarn-like alteration zone.

Sunshine Gold Project (Stellar 100%)

The geology of this area is considered to be comparable to that hosting the Challenger gold mine, located approximately 120km to the west.

Calcrete sampling was completed over a target area of some 30km² on 200m by 200m spacing and a coherent gold anomaly defined over an area of approximately 400m by 100m. Previous drilling 3km to the west of this zone returned significant intervals of low to moderate grade gold mineralisation (20m @ 0.41g/t Au and 10m @ 1.44g/t Au).

The 3,000m RC drilling program involves 60, 50m deep holes to cover the as yet untested eastern anomaly and infill the anomaly identified earlier to the west.

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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