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## Drilling resumes on Tarcoola Iron Ore Project

Stellar Resources is pleased to announce that it is currently involved in two drilling programs.

The first has the potential to extend known magnetite mineralisation at the company's 100% owned Tarcoola Iron Ore Project in South Australia.

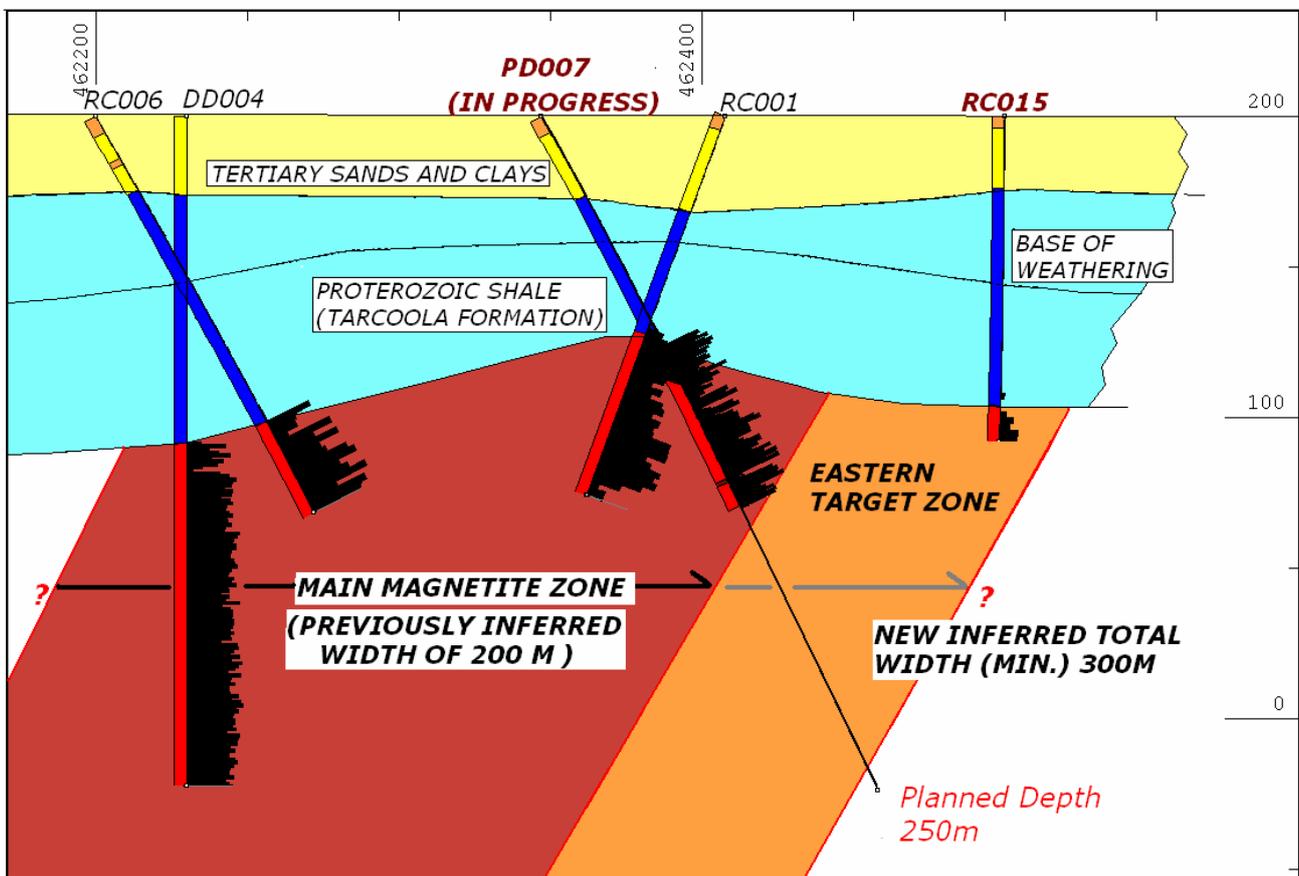
The second program is targeting IOCGU geophysical anomalies in the Robin's Rise area west of Coober Pedy in South Australia. Red Metal is conducting the program as part of an \$8 million earn-in by Phelps Dodge and Red Metal for a 60% interest in Stellar's Robins Rise tenements.

### Tarcoola Iron Ore Project (Stellar 100%)



Stellar recommenced exploration over the Tarcoola iron ore deposit with a ground magnetic survey in April. The survey confirmed the presence of a significant body of magnetite mineralisation as previously identified by aeromagnetics and limited drilling. In addition, with better definition from the ground magnetic survey, a possible extension of the deposit's eastern boundary was interpreted.

The current drilling program has targeted the interpreted eastern extension along the previously drilled section 660 9750N. As the schematic cross section following shows, vertical hole RC015 supported the interpretation, intersecting magnetite mineralisation at 98m depth and drilling to 108m before water flow stopped the hole. A second hole, PD007, pre-collared to 84m in a previous drilling program, is currently being deepened with diamond drilling to test the postulated down-dip extension of the eastern target zone and is currently at 157m. The hole has intersected magnetite mineralisation comparable to that in DD004 from the base of the pre-collar to the current depth. The plan is to continue RD007 to a target depth of 250m to fully test the eastern target zone and locate the eastern boundary of the magnetite mineralisation. Further drilling will be subject to rig availability.



Drilling is demonstrating a high level of correlation between the ground magnetic anomaly and the distribution of magnetite. The anomaly has a strike length of 1,400m and if the inferred total width of 300m is confirmed in the current drilling, approximately 1.47 million tonnes of magnetite mineralisation per vertical metre can be inferred using an SG of 3.5 as indicated from existing core measurements.

## **Robin's Rise Drilling Program**

Red Metal (ASX: RDM) announced on 8 May 2008, that it had commenced a drilling program on Stellar's Robin's Rise tenements in the Coober Pedy region. The program is targeting 8 gravity and associated magnetic highs that lie in structural settings comparable with that of the Prominent Hill copper-gold deposit 100km to the southeast.

*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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