

25 February 2009

ASX Code: SRZ

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Shareholder Share Purchase Plan to Fund Gold Exploration

Stellar is pleased to offer Eligible Shareholders the opportunity to purchase up to \$10,000 worth of ordinary shares at an issue price of 4 cents per share which is a 18.4% discount to the average closing price for the last five days on which shares were traded on the ASX.

The Offer is available to shareholders who were on the Stellar register on the record date of 24 February 2009 and whose registered addresses are in Australia or New Zealand (**Eligible Shareholders**). The Offer will open on 2 March 2009 and close on 20 March 2009. Taylor Collison Limited will manage the Offer.

New shares to be issued under the Plan will rank equally in all respects with all other issued ordinary shares of Stellar. A maximum of 25,510,307 new shares will be issued under the Plan. Stellar will not seek shareholder approval for the issue of any new shares under the Plan.

Chief Executive Officer, Mr Peter Blight, said “the Offer provides shareholders with an opportunity to increase their investment in Stellar’s exciting project portfolio at a meaningful discount to the 4.9 cent average closing price for the last five days on which shares were traded on the ASX”.

Proceeds from the Plan are to be used in the first instance to finance gold exploration at the Sunshine gold prospect near Tarcoola in South Australia. “Previous exploration shows that Sunshine has many similarities with the high grade Challenger gold mine that lies 100 kilometres to the northwest” said Mr Blight.

In the second instance, funds will be used to advance Stellar’s Tarcoola Iron Ore Project. “Interest in South Australian magnetite deposits from Chinese investors is increasing and Stellar is planning scoping work at Tarcoola to present the best case to investors and achieve the best possible outcome for shareholders.”

All documents relating to the Plan will be mailed to shareholders soon after the Offer opens on 2 March 2009.

For further details please contact:

Peter Blight
CEO

Tel: 03 9909 7618

Email: peter.blight@stellarresources.com.au

Chris Anderson
Director

Tel: 08 8363 1589

Email: chris.anderson@stellarresources.com.au

or visit our Website at: <http://www.stellarresources.com.au>



2 March 2009

Invitation to participate in Stellar's 2009 Shareholder Share Purchase Plan

Dear Shareholder,

On behalf of the Board of Stellar Resources Limited (**Stellar** or **Company**), I am pleased to present this offer for Eligible Shareholders to participate in a Shareholder Share Purchase Plan (**SSPP**). Shareholders who were registered on 24th February 2009 with addresses in Australia or New Zealand are eligible to participate in the offer. Stockbroking firm Taylor Collison Limited is the manager of the SSPP.

Under the offer, each Eligible Shareholder can subscribe for \$1,000, \$3,000, \$5,000 or \$10,000 of new fully paid ordinary shares without paying, under current laws, brokerage or other transaction costs.

The offer price of 4.0 cents per share was set by directors at an 18.4% discount to the market closing price on the ASX for ordinary shares in Stellar over the five days on which shares traded prior to the day of announcement. The market price of Stellar's ordinary shares may change between the offer date and the date that new shares are issued.

Under the SSPP, the offer of new shares is non-renounceable, meaning that shareholders cannot transfer their rights to anyone else.

Proceeds from the SSPP are to be applied in the following manner:

- 1) Increasing the Company's focus on gold by drill testing the "Challenger" look-a-like gold exploration target at the Sunshine prospect; and
- 2) Advancing the Tarcoola Iron Ore Project with metallurgical test work to investigate lower cost processing and enhanced product quality.

This is the first time that all ordinary shareholders in Australia and New Zealand have been offered new shares in the Company since the IPO in April 2005. The present market conditions make this an ideal opportunity for shareholders to further participate in the 2009 programs, where the focus on gold will be increased and metallurgical testwork on the promising Tarcoola Iron ore project advanced.

We are pleased to invite your participation at a time in the market when prices are low, but opportunity remains high.

Yours sincerely,

Tom Burrowes
Chairman

STELLAR RESOURCES LIMITED

ABN 96 108 758 961

Level 7 Exchange Tower
530 Little Collins Street
Melbourne Victoria 3000

Tel + 61 3 9909 7618 Fax + 61 3 9909 7621

The Offer at a glance

Key dates*

Record date	24 February 2009 (7.00pm Melbourne time)	The date for determining Eligible Shareholders.
Opening Date	2 March 2009	Offer opens at 9.00am (Melbourne time)
Closing Date	20 March 2009	Offer closes at 5.00pm (Melbourne time)
Issue Date	1 April 2009	Shares under the SSPP are issued
Despatch Date	3 April 2009	Confirmation of transaction despatched to shareholders (Allotment Notice)
Quotation Date	6 April 2009	Shares are expected to be traded on ASX

* Dates are indicative only and Stellar may vary these dates without notice.

Offer details

Issue price	4 cents per Share
Minimum Application Amount	A\$1,000
Maximum Application Amount	A\$10,000
Permitted Application Amounts	A\$1,000, A\$3,000, A\$5,000 or A\$10,000

Taylor Collison is the manager for the SSPP.

How to participate

Participation in the SSPP is optional and open to all persons registered as a Stellar shareholder on the record date (24 February 2009, AEDT 7.00pm) and with a registered address in either Australia or New Zealand (**Eligible Shareholders**).

The SSPP will open at 9.00am (Melbourne time) on 2 March 2009 and will remain open until 5.00pm (Melbourne time) on 20 March 2009.

If you would like to participate, you should either:

- (a) return your Application Form, together with a cheque for the Application Amount; or
- (b) pay the Application Amount via BPAY,

by no later than **5.00pm (Melbourne time) on 20 March 2009**.

If you use BPAY to pay for the Shares under the Offer, you do not need to return your Application Form.

The Offer is non-renounceable, which means that you cannot transfer your right to purchase shares under the SSPP to anyone else.

Full details of the SSPP and how to participate in the SSPP are set out in this brochure and the Application Form. Stellar encourages you to read these documents carefully. The Offer does not take into account your

individual investment objectives, financial situation or particular needs. You may want to obtain independent financial and taxation advice before making a decision as to whether you participate in the SSPP or not.

If you have any questions in relation to the SSPP or how to complete the Application Form, please call Stellar's share registry, Link Market Services Limited, at any time between 8.30am and 5.30pm (Melbourne time) Monday to Friday on 1300 558 249 (within Australia) or +61 2 8280 7144 outside Australia.

ASIC and ASX relief

The Offer under the SSPP is made in accordance with an instrument of relief granted to Stellar on 23 February 2009 which is based on ASIC Class Order 02/831. The instrument grants relief from the requirement to prepare a prospectus for the offer of new shares under the SSPP.

Stellar has also obtained a Listing Rule waiver from ASX so that Shares issued under the SSPP do not have to be counted for the purpose of Listing Rule 7.1 (which restricts issues of capital exceeding 15% in 12 months) and so that Directors may participate in the SSPP (which would otherwise be restricted by Listing Rule 10.11).

Important Notice

This document does not constitute an offer of securities in any place outside Australia and New Zealand and this Offer is only made to Eligible Shareholders.

Directors of Stellar who are Eligible Shareholders may participate in the Offer.

The SSPP may be varied, suspended or terminated by the Board at any time at the Board's absolute discretion without notice. Neither Stellar nor the Board accept or assume any liability to shareholders by reason of variation, suspension or termination of the SSPP.

Eligible Shareholders intending to participate in the SSPP may want to obtain independent advice in relation to the taxation consequences of an investment in Shares under the SSPP.

Stellar may refuse any application made, for example, if a cheque is returned unpaid or if the Application Form has not been properly completed, or where there are grounds for believing that the applicant has not acted in good faith, including where holdings have been split for the purpose of multiple applications under the SSPP. Applications received after the Closing Date will not be accepted.

Questions and Answers

Capitalised terms are defined in Annexure A

What is the Shareholder Share Purchase Plan?

The Shareholder Share Purchase Plan being offered by Stellar (**SSPP**) provides Eligible Shareholders with the opportunity to subscribe for up to A\$10,000 of new Shares without incurring, under current laws, any brokerage or other transaction cost.

The SSPP will be offered under the SSPP Rules (see Annexure A to this brochure) which contains the terms and conditions.

Shares issued under the SSPP will rank equally in all respects with existing fully paid ordinary shares.

Am I an Eligible Shareholder?

All persons registered as a Stellar shareholder at 7.00pm (AEDT) on 24 February 2009 (**Record Date**) with a registered address in either Australia or New Zealand are eligible to participate in the SSPP.

Single holders – If you are the only registered holder of a holding of Shares, but you receive more than one offer under the SSPP, you may only apply for one maximum parcel of Shares.

Joint holders – If you are a joint holder of a holding of Shares, that joint holding is considered to be a single registered holding for the purpose of the SSPP, and you are entitled to participate in the SSPP in respect of that single holding only. If you are a joint holder and you receive more than one offer under the SSPP, you may only apply for one maximum parcel of Shares.

Trustees and nominees – If you are expressly noted on Stellar's share register as a trustee or nominee for a named beneficiary, you may only apply for one maximum parcel of Shares for each named beneficiary. If the Stellar Share Registry does not record a named beneficiary in respect of your trustee or nominee holding, the rules for multiple single holdings apply.

The Board has determined that it is either not lawful or not practical for shareholders in jurisdictions outside of Australia and New Zealand to participate in the SSPP.

Any shareholder who holds Shares on behalf of any person who is a 'US person' (as defined in Regulation S under the US Securities Act of 1933) or who acts for the account or benefit of a US person is not entitled to participate in the SSPP.

Are Eligible Shareholders required to participate in the SSPP?

No. Participation in the SSPP is optional. Before deciding whether to participate in the SSPP, you should consider Stellar's disclosures to ASX and, if necessary, consult your financial adviser.

What is the Issue Price?

4 cents per Share. This is a discount of 18.4% to the average market price of Stellar's shares calculated over the last 5 days on which those shares were traded prior to 25 February 2009, being the date on which the SSPP was announced to ASX (**Announcement Date**).

What risks are associated with investing in the SSPP?

The Stellar share price may rise or fall between the Announcement Date and the Issue Date. Notwithstanding such price changes, the Issue Price under the SSPP is fixed and it follows that the number of new Shares you will receive for your Application Amount (subject to any Scaleback, as to which see below) is also fixed. Should the Stellar share price fall, the value of the new Shares you will receive under the SSPP will decline accordingly.

How much can I invest?

The Offer made under the SSPP needs to comply with the relief granted by ASIC. In accordance with that relief, Eligible Shareholders may only acquire up to a maximum of A\$10,000 worth of Shares under a share purchase plan in any 12 month period (**Maximum Application Amount**). Stellar has not conducted a share purchase plan in the 12 months preceding this Offer.

The smallest amount that Eligible Shareholders can apply for under the SSPP is A\$1,000 worth of Shares (**Minimum Application Amount**).

Eligible Shareholders may only apply to purchase a parcel of Shares in the amount of A\$1,000, A\$3,000, A\$5,000 or A\$10,000 (**Application Amount**). If the amount tendered with your Application Form or BPAY payment is:

- less than A\$1,000, Stellar will not allot any new Shares to you and will refund all of your application money
- greater than A\$10,000, Stellar will subject to Scaleback (see below under “**How many Shares will I receive?**”) allot 250,000 Shares to you and refund the excess application money
- for an amount between A\$1,000 and A\$10,000 that is not one of the designated amounts, Stellar will subject to Scaleback allot to you the number of new Shares which would have been allotted had the amount tendered been the highest designated amount that is less than the amount tendered in fact and will refund the excess application money.

How do I apply for Shares under the SSPP?

Eligible Shareholders can apply for Shares under the SSPP in one of two ways, depending upon whether payment is to be made by cheque or BPAY.

For payment by cheque:

Please complete the personalised Application Form enclosed and return it with a cheque for the Application Amount using the reply paid envelope so that it is received before 5.00pm (Melbourne time) on 20 March 2009 or deliver it to:

Hand Delivery:

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Postal Address:

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

For payment by BPAY:

Please follow the instructions on the Application Form. Payment must be received before 5.00pm (Melbourne time) on 20 March 2009.

You do not need to return your Application Form if you pay via BPAY.

How many Shares will I receive?

Eligible Shareholders will receive the number of Shares determined by dividing his or her Application Amount by the Issue Price of 4 cents per Share, subject to any reduction caused by Stellar undertaking a scaleback.

Under a scaleback, the number of Shares for each Application will be scaled back (**Scaleback**). Preference will be given to Eligible Shareholders who are still shareholders at the time of the Scaleback.

In the absence of a Scaleback, the number of Shares allotted to you will be as follows:

<i>Application Amount</i>	A\$1,000	A\$3,000	A\$5,000	A\$10,000
<i>Allotted Shares</i>	25,000	75,000	125,000	250,000

Stellar may undertake a Scaleback at its discretion, including to take into account material changes in the price of Stellar shares, the broader market for Stellar securities and for the purpose of complying with ASX Listing Rules, so that not more than 30% of the number of ordinary shares already on issue are issued under the SSPP.

Stellar has not set a minimum amount to be raised through the SSPP. At the Issue Price of 4 cents per Share, observance of the abovementioned 30% limit on new Shares will limit the maximum amount able to be raised through the SSPP to A\$1,020,412 (before costs of the Offer).

When can I sell Shares purchased under the SSPP?

Shares issued under the SSPP may be sold or transferred on ASX at any time after quotation. Stellar will apply for all Shares issued under the SSPP to be quoted on the Quotation Date.

Annexure A – SSPP Rules

1. Definitions and interpretation

- 1.1 Words importing the singular include the plural and vice versa, words importing any gender include other genders and ‘person’ includes a corporation or other body corporate.
- 1.2 Headings are for convenience only and do not affect the interpretation of these Rules.
- 1.3 Any reference to time shall mean the time in Melbourne, Victoria.
- 1.4 When used in these Rules, the words listed below will, unless the context requires otherwise, have the following meanings:

<i>Allotment Notices</i>	The notice sent to Shareholders confirming allotment of Shares issued under the SSPP
<i>Application</i>	An application for Shares under the SSPP
<i>Application Amount</i>	Either A\$1,000, A\$3,000, A\$5,000 or A\$10,000 (at the Eligible Shareholder’s election)
<i>Application Form</i>	A personalised application form pursuant to which Eligible Shareholders may apply for Shares under the SSPP
<i>ASIC</i>	The Australian Securities and Investments Commission

ASX	ASX Limited ACN 008 624 691
Board	The board of directors of Stellar
Constitution	The constitution of Stellar
Closing Date	The closing date for the SSPP, expected to be 20 March 2009
Despatch Date	The date on which Allotment Notices will be sent to Shareholders, expected to be 3 April 2009
Director	A director of Stellar
Eligible Shareholder	A person who is a Shareholder of Stellar on the Record Date and whose registered address is in Australia or New Zealand
Issue Date	The date on which the Shares are issued under the SSPP, expected to be 1 April 2009
Issue Price	The price at which new Shares will be issued under the SSPP, as determined by the Board and, if applicable, increased under rule 7.2.
Listing Rules	The listing rules of ASX from time to time
Offer	The offer of Shares under the SSPP on the terms set out in the Rules
Official List	The official list for quotation on ASX
Opening Date	The date on which the SSPP opens, expected to be 2 March 2009
Quotation Date	The date on which Shares issued under the SSPP will be traded on the Official List, expected to be 6 April 2009
Record Date	The time and date for determining the Shareholders who are entitled to participate in the SSPP, expected to be 7.00pm (AEDT) on 24 February 2009
Registered Address	The address of an Eligible Shareholder as shown in the Share Register
Rules or SPPP Rules	These rules
Scaleback	A reduction by Stellar in the number of Shares to be allotted to an Eligible Shareholder who has lodged an Application for a larger number of Shares.
Shareholder	A holder of Shares
Shares	ordinary shares in the capital of Stellar

Share Register	The register of Shareholders maintained by the Share Registry
Share Registry	Link Market Services Limited
SSPP or Shareholder Share Purchase Plan	Stellar's Shareholder Share Purchase Plan the subject of these Rules
Stellar	Stellar Resources Limited ABN 96 108 758 961

2. Offer timetable

- 2.1 This Offer opens on the Opening Date.
- 2.2 Only Eligible Shareholders may participate in the SSPP.
- 2.3 It is intended that this Offer will close on the Closing Date. All Application Forms and payments of the Application Amounts must be received by the Share Registry before the Closing Date.
- 2.4 It is intended that Shares will be issued and allotted on or about the Issue Date.
- 2.5 Any Scaleback will be announced on the Issue Date. Stellar expects Allotment Notices (and any refund cheques in the event of a Scaleback) will be despatched on or about the Despatch Date.
- 2.6 Stellar anticipates trading on ASX of Shares issued under the SSPP will commence on the Quotation Date.
- 2.7 Stellar has the discretion to change, at any time, any of these dates.

3. Participation in the SSPP

- 3.1 Participation in the SSPP is subject to these Rules. The Offer made under this SSPP is made only to Eligible Shareholders.
- 3.2 The Offer is non-renounceable.
- 3.3 The Board may refuse to accept or may suspend or withdraw any Application if that Application might:
 - (a) prejudice the effective operation of the SSPP; or
 - (b) give rise to breaches of applicable laws by Stellar, its officers, Eligible Shareholders or their associates
and may reject any Application if it has reason to believe that the Eligible Shareholder is not acting in good faith.
- 3.4 It is the responsibility of each Eligible Shareholder to obtain any necessary approvals to enable him or her to participate in the SSPP.
- 3.5 Subject to obtaining ASX approval, Directors who are Eligible Shareholders may participate in the SSPP.
- 3.6 The Board is entitled (but not obliged) to refuse an Application where an Eligible Shareholder has, in the opinion of the Board,

split a shareholding, or acquired Shares as part of such a split, in order to attempt to increase the number of Shares that may be allotted under the SSPP to that Eligible Shareholder or another person.

4. Application to participate

- 4.1 An Eligible Shareholder may apply to Stellar to participate in the SSPP by:
 - (a) completing and signing an Application Form and returning it to the Share Registry with a cheque for payment of the Application Amount; or
 - (b) paying the Application Amount via BPAY,in accordance with the instructions on the Application Form before the Closing Date.
- 4.2 The Application Amount must be either A\$1,000, A\$3,000, A\$5,000 or A\$10,000.
- 4.3 Shares issued under the SSPP will be issued at the Issue Price and allotted as fully paid. Subject to any Scaleback, the number of Shares issued pursuant to an Application will be calculated by dividing the Application Amount by the Issue Price.
- 4.4 Fractional Shares (if any) will be rounded to the nearest whole Share.

5. Operation of the SSPP

- 5.1 An Eligible Shareholder who elects to participate in the SSPP shall be deemed to have:
 - (a) confirmed, in relation to all Shares applied for by him or her under the SSPP, that he or she does not make the Application for any other person in circumstances which might involve a breach of the securities laws of any jurisdiction other than Australia and New Zealand; and
 - (b) certified that the aggregate amount of the Application Amount for:
 - (i) Shares under the SSPP; and
 - (ii) any other Shares applied for by the Eligible Shareholder under the SSPP or any similar arrangements in the 12 months prior to the Applicationdoes not exceed \$10,000.
 - (c) agreed to be bound by Stellar's Constitution in respect of all the Shares issued to him or her under the SSPP.

6. Shares issued under the SSPP

- 6.1 Shares issued under the SSPP will rank equally in all respects with existing Shares.
- 6.2 Shares issued to Eligible Shareholders will be registered on the Share Register.

- 6.3 Stellar will duly apply for quotation of the Shares on the Official List and will, promptly following the issue and allotment of Shares under the SSPP, send an Allotment Notice to the Eligible Shareholder's Registered Address.

7. Cost to participants

- 7.1 Subject to rule 7.2, no brokerage, commission or other transaction costs will be payable by, or recoverable by Stellar from, an Eligible Shareholder in respect of Shares issued under the SSPP.
- 7.2 In the event of a change in legislation so that, at the date of any issue or allotment of Shares, stamp duty or any other tax or duty is payable by Stellar on Shares issued under the SSPP, the amount of such stamp duty or other tax or duty shall be borne by the Eligible Shareholder to whom the Shares are issued and, in respect of each such Share, the Issue Price may be increased accordingly.

8. Non-participation

Participation in the SSPP is voluntary. It is a matter for each Eligible Shareholder to determine whether or not he or she makes an Application for Shares under the SSPP.

9. Scaleback

- 9.1 Stellar may, in its absolute discretion, undertake a Scaleback to the extent and in the manner it sees fit, including to take into account material changes in the price of Shares, the broader market for Stellar securities and for the purpose of compliance with Listing Rule 7.2, Exception 15 (as varied by ASX). Preference will be given to Eligible Shareholders who are still Shareholders of Stellar at the time of Scaleback.
- 9.2 If Stellar undertakes a Scaleback, the difference between the value of the Shares allotted and the Application Amount paid to Stellar by the Applicant will be refunded by cheque (without interest) mailed to the Applicant on the Despatch Date.

10. Applications and notices

- 10.1 Applications and notices for the purposes of the SSPP shall be in writing in such form and lodged at such place as Stellar and the Share Registry may from time to time require.
 - 10.2 Applications and notices (other than notices of death, bankruptcy or liquidation) in respect of Shares registered in joint names shall be completed by all registered holders of those Shares who wish to subscribe for Shares.
 - 10.3 Applications and notices will take effect on and from the date on which they are received by the Share Registry provided that an Application to participate in the SSPP is not effective until it has been accepted by the
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Board and the Application Amount has been received.

10.4 Stellar has an absolute discretion to:

- (a) accept and treat as valid an Application which does not satisfy the requirements of rule 10.1; and
- (b) reject and treat as invalid an Application Form where the Board has determined that acceptance of the Application Form would or might prejudice the effective operation of the SSPP or would or might be contrary to the laws of any country.

10.5 Stellar will be under no obligation to correct or amend defective Application Forms on behalf of Eligible Shareholders.

11. Board's powers

11.1 The SSPP will be administered by the Board which has the power to:

- (a) determine appropriate procedures for administration and implementation of the SSPP, consistent with the SSPP Rules, and settle any difficulty which may arise, generally or in a particular case, in regard to the SSPP as the Board thinks fit and its determination will bind all Shareholders and other persons to whom the determination relates;
- (b) resolve conclusively all questions of fact or interpretation in connection with the SSPP; and
- (c) delegate to any one or more persons for such period and on such conditions as it may determine, the exercise of its powers or discretions arising under the SSPP.

11.2 Stellar and its officers and employees will not be held responsible or liable for any error or omission which occurs in the administration of the SSPP.

11.3 The Board may vary administrative procedures to be followed in respect of the interpretation of the SSPP. The procedures may be varied at any time by the Board having regard to ASX or ASIC requirements.

11.4 The Board may:

- (a) at any time modify, vary or amend the SSPP;
- (b) suspend the operation of the SSPP from time to time for any period; or
- (c) terminate the SSPP at any time without being required to give any advance notice of such termination to Shareholders.

12. Taxation

Stellar makes no representations or warranties in respect of, and accepts no responsibility for, the liability of Eligible Shareholders to pay income tax (including any tax on any capital gain) in respect of any allotment or issue of Shares, payment or other transaction pursuant to the SSPP.

13. Dispute resolution

Stellar may settle in any manner it thinks fit any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SSPP or these Rules, whether generally or in relation to any participant or application, and the decision of Stellar will be conclusive and binding on all participants and other persons to whom the determination relates. Stellar reserves the right to waive strict compliance with any provision of these Rules. The powers of Stellar under these conditions may be exercised by any Director or the delegate of any Director.

14. Governing law

This Offer and these Rules are governed by the laws of the State of Victoria. By accepting this Offer you submit to the non-exclusive jurisdiction of the Courts of that State.



Stellar Resources Limited
ABN 96 108 758 961

Shareholder Share Purchase Plan Application Form

Offer closes 5:00pm (AEDT) 20 March 2009

This is an important document. Should you have any questions about its contents please seek independent financial advice.

Record Date: 24 February 2009
Opening Date: 2 March 2009
Close Date: 20 March 2009
Issue Date: 1 April 2009

Securityholder Reference Number (SRN):
Holder Identification Number (HIN):



X0123456789

Application for Shares

I/we wish to apply for the number of fully paid ordinary shares set out below in accordance with the terms and conditions of the Shareholder Share Purchase Plan 2009 ("SSPP") of Stellar Resources Limited (Stellar). By returning this form to Stellar's Share Registry (or without returning this form but electing to participate in the SSPP and making payment via BPAY®), I/we agree to be bound by the Rules of the SSPP and Stellar's Constitution (Constitution), and certify that the aggregate of the application price for the shares the subject of this application, and any other shares in the class applied for by me/us under this SSPP (including those the subject of any other application), or any similar arrangement in the 12 months prior to the date of this application, does not exceed A\$10,000. Stellar reserves the right to vary the closing or any other date for the Offer.

This Offer is non-renounceable. Please indicate the **number of ordinary shares** you wish to acquire by ticking **ONLY ONE** of the following boxes:

<input type="checkbox"/>	25,000 (A\$1,000)	OR	<input type="checkbox"/>	75,000 (A\$3,000)	OR	<input type="checkbox"/>	125,000 (A\$5,000)	OR	<input type="checkbox"/>	250,000 (A\$10,000)
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Cheque details – please complete and ensure that the amount payable is correct.

Payment must be made by cheque or bank draft in Australian dollars and drawn on an Australian bank. Cheques or bank drafts should be made payable to "Stellar Resources Limited" and crossed "Not Negotiable". Alternatively, you may pay electronically using BPAY®. **DO NOT RETURN THIS FORM IF YOU ELECT THE BPAY OPTION.**

Cheque Number	BSB	Account Number
<input type="text"/>	<input type="text"/>	<input type="text"/>



Billers Code: 999938
Ref:

® Registered to BPAY Pty Ltd ABN 69 079 137 518

BPAY® – Contact your participating institution and make the payment via BPAY® – you do not need to return this form.

Telephone & Internet Banking - BPAY®
Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

Amount

A\$

Questions and Contact Details

If you have any questions please contact Stellar's Share Registry on 1300 558 249 (within Australia) or +61 2 8280 7144 (from outside Australia) between the hours of 8:30am and 5:30pm, Monday to Friday (AEDT).

Telephone number where we may contact you during business hours Contact Name (PRINT)

() _____

If you do not provide your telephone number it will be necessary to return any incomplete application to you by mail.

Lodgement Instructions

Your Application form and cheque or bank draft must be received by the share registry before the **close of the Offer at 5:00pm (AEDT) on 20 March 2009**. You should allow sufficient time for this to occur (the usual notice provisions as provided for in the Constitution apply). A reply paid envelope is enclosed for shareholders with a registered address in Australia or New Zealand. Your application form should be returned in the envelope provided or delivered to the address shown below.

Mailing Address: Stellar Resources Limited, C/- Link Market Services Limited, Locked Bag A14, Sydney South, NSW, 1235, Australia; or

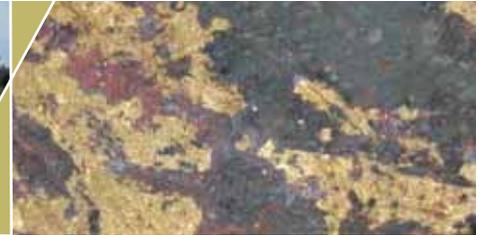
Delivery Address: Link Market Services Limited, Level 12, 680 George Street, Sydney, NSW, 2000, Australia (**Please do not use this address for express post mailing**)

Privacy Clause: Link Market Services Limited advises that Chapter 2C of the *Corporations Act 2001* requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the entity in which you hold securities. You can obtain access to your personal information by contacting us at the above address or phone numbers. Our privacy policy is available on our website (www.linkmarketservices.com.au).

NO SIGNATURES ARE REQUIRED ON THIS FORM

SRZ SPP001





Strategic Focus on Gold and Iron Ore

Funds raised by the Shareholder Share Purchase Plan will enable Stellar to test significant gold potential at its Sunshine prospect in South Australia and accelerate plans to advance its key Tarcoola Iron Ore project. This targeted spending program would add considerable momentum to Stellar following adoption of a business sustainability program to ensure financial viability beyond June 2010.

Sunshine Gold Prospect, South Australia.

Why invest in gold?

Gold is one of the few if not the only asset class in demand as the Global Economic Crisis broadens and deepens. Price premiums suggest that investors are buying more gold coins now than they have in recent years. Others are buying gold ETFs (exchange traded funds) which in the case of SPDR Gold Shares, the largest fund in the United States, has resulted in an increase of its inventory to a record 882 tonnes. Institutional investors are also taking positions in gold equities as demonstrated by the recent share placement by Newcrest Mining closing substantially oversubscribed.

The focus on gold is easy to understand given that:

- the US dollar is arguably over-valued following the global flow of funds into US treasuries,
- US treasuries face the risk of price collapse as yields have fallen to zero and may bring the US dollar down in concert,



Figure 1. Location of Sunshine gold and Tarcoola iron ore projects

- gold is viewed as a safe haven, unaffected by the reduction in industrial production that has undermined demand growth and prices for base metals,
- gold is still historically cheap relative to its long-term value against the S&P 500.

Not surprisingly, producers are looking for ways to increase their gold production and explorers are re-rating the prospectivity of gold projects.

Sunshine is Stellar's Key Gold Prospect

Stellar has reviewed its own portfolio and has decided to focus on the Sunshine gold prospect. Sunshine is located in a poorly explored terrain, 20 kilometres to the northwest of the township of Tarcoola and 100 kilometres to the southeast of the Challenger gold mine in central South Australia.

The attraction of Sunshine is reflected in Stellar's view that it is analogous to Challenger, a high grade, low cost deposit with the same geological street address. The main similarities between Sunshine and the Challenger geological setting can be summarised as follows:

- Both are located in an Archaean, high-grade metamorphic terrain of calc-silicate gneisses in the western Gawler Craton

- Structure is important at Challenger and the pan-cratonic Bulgunnia shear zone provides a similar regional structural setting for gold at Sunshine.
- Calcrete geochemistry was instrumental in the location of Challenger and has located gold anomalies of similar size and magnitude at Sunshine.

Exploration conducted at Sunshine to date has provided one significant intersection of 2 metres grading 6.7g/t over the Bulgunnia shear zone and only partly tested the calcrete anomalies along and to the south of the shear zone.

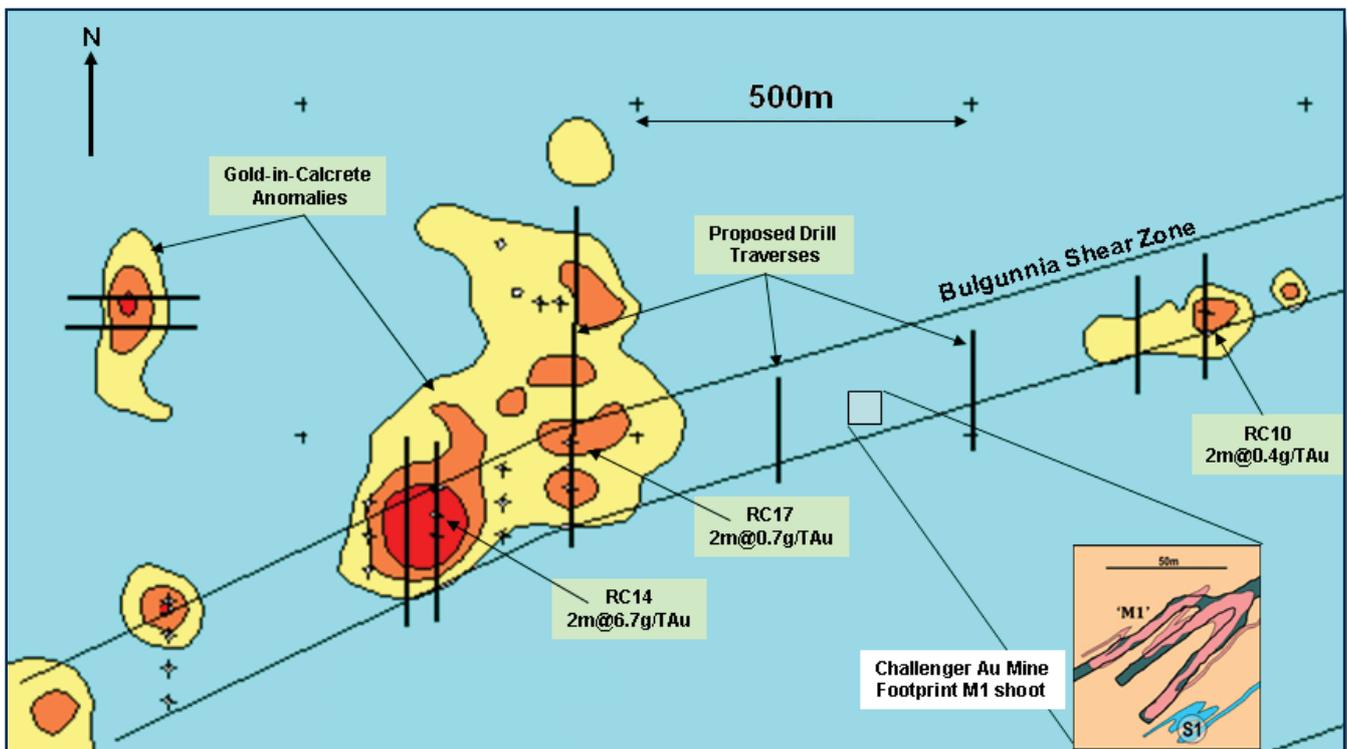


Figure 2. Calcrete anomaly map for Sunshine showing planned drill traverses

USE OF FUNDS AT SUNSHINE

Stellar is planning an aircore drilling program to test:

- extensions of the RC 014 and RC010 gold intersections and other zones of anomalous gold in calcrete along the Bulgunnia shear zone
- undrilled calcrete anomalies to the south of the shear zone.

Tarcoola Iron Ore Project, South Australia

CHINA DRIVING IMPROVED SPOT IRON ORE PRICES

Since the October 2009 low of US\$55/t CFR (cost and freight), the spot price of iron ore (62% iron) imported by Chinese steel mills has risen to and stabilised at US\$75/t according to Macquarie Research. Freight rates for bulk shipping of iron ore from Australia to China also reflect this trend rising from a low of \$3.90/t in November to \$7.90/t in January 2009.

The early improvement in iron ore spot market conditions augers well for contract price negotiations currently underway, suggesting that price cuts of 20% are now more likely than the previously mooted 40% reduction. A price cut of 20% would lower the contract price to US\$70/t fob (free on board) which in A\$ terms is \$108/t or still above the Stellar long-term price for evaluation of its Tarcoola Iron Ore Project.

If it is too early to expect the Chinese government infrastructure spending program to be driving the demand for imported iron ore then what is the driver? According to Macquarie Research, steel prices stabilised

in January mostly in response to inventory reduction rather than any significant increase in demand. Iron ore inventories were also drawn down in December and January but not enough to stimulate the surge in imports.

The most likely explanation is the significant reduction in high cost production from domestic iron ore mines in favour of cheaper imports. Prior to the collapse in Chinese steel prices in 2008, when the spot price for imported iron ore was close to US\$200/t, some domestic iron ore supply was costing more than US\$130/t. Now that the spot price of imported ore landed in China is \$75/t much of the high cost domestic production has closed.

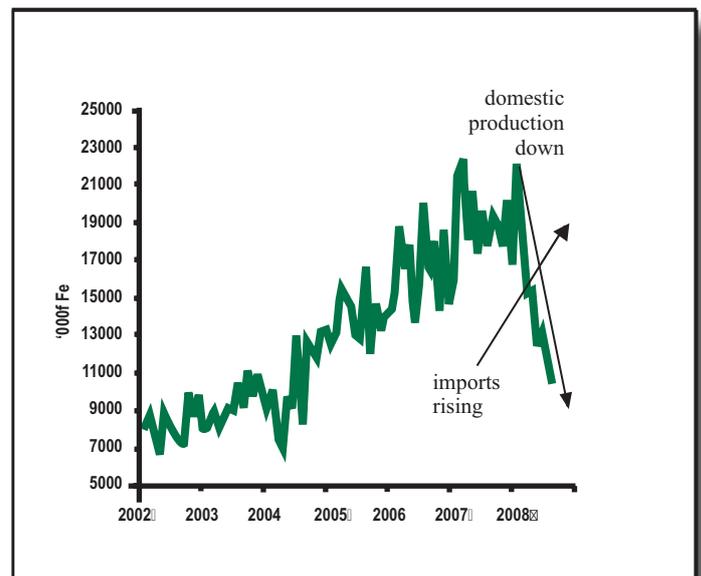


Figure 3 Apparent Chinese domestic iron ore production

Source: Macquarie Research

IRON ORE RESOURCE OWNERSHIP STILL IMPORTANT IN CHINA

China's focus on low cost sources of iron ore is also a long-term phenomenon and drives much of the investment in undeveloped



Australian deposits by Chinese steel mills and steel industry participants. Magnetite is the main focus of these investors as the Australian deposits will ultimately replace magnetite production in China.

IRON ORE RESOURCE OWNERSHIP STILL IMPORTANT IN CHINA

So far we have seen Chinese investors focus on Western Australia's coastal magnetite deposits as these potentially represent the lowest cost source of supply. The focus then shifted inland to the Midwest of WA. With all of the major magnetite deposits in WA now "spoken for" the focus has shifted once again - this time to South Australia.

Wuhan Iron and Steel moved in late 2008 to sign access agreements with the holders of coastal magnetite deposits on South Australia's Eyre Peninsula. Logically, the next move will be inland South Australia where Stellar's Tarcoola Iron Ore Project, located 10 kilometres from the TransAustralian railway, is the best positioned.

USE OF FUNDS AT TARCOOLA

In order to advance the Tarcoola Iron Ore Project and present the findings to potential joint venture partners Stellar is proposing the following work program:

- metallurgical test work to investigate the potential for selective mining lower cost processing and enhanced product quality,
- drill test the western limit of the Coolybring magnetic target,
- water quality testing to identify an appropriate source of process water,
- promotion of the project in China.

OTHER OPPORTUNITIES

Stellar has a number of undeveloped projects, in various stages of exploration that can be advanced as market conditions improve and funding opportunities arise. The key projects are summarised below.

TIN: 60% owned Heemskirk Tin Project near Zeehan in Tasmania was drilled by Aberfoyle in the mid 1980s and shows good exploration potential.

URANIUM: Warrior palaeochannel mineralisation to the west of Tarcoola in South Australia is under investigation by Toro Energy Limited under a farm-in agreement in which Toro can earn 70%.

COAL: 100% owned Penrhyn coal basin, located 30km to the south of Coober Pedy in South Australia. PIRSA discovered "sub-bituminous Permian coal" at Penrhyn with a limited drilling program in the early 1990s.

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. Mr Anderson has sufficient experience relevant to the style of mineralisation and type of deposits being considered to qualify as a Competent Person as defined by the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2004 Edition). 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.