



Stellar encouraged by UraniumSA project update – eastern Eyre Peninsula

On the 20 August, UraniumSA Limited (ASX: USA) released an exploration update on its Mullaquana Project in which it announced that “the extent of uranium mineralisation identified by drilling is now sufficiently large that the area must now rank as a new district rather than an isolated prospect.” The company went on to say that “The southern extension of drill indicated mineralisation is interpreted to extend into the Stellar Resources Joint Venture tenement.”

This announcement has positive implications for Stellar in three ways:

1. Stellar owns 11% of USA and benefits from the strong growth in capitalisation attributable to USA’s highly successful exploration program.
2. USA has indicated that during the current quarter, it will be following some of its best drilling results into the joint venture tenement in which it is earning an interest from Stellar.
3. USA has defined a uranium mineralised roll front that trends southward for 30km within the Pirie Basin towards Stellar’s 100%-owned EL 3978. The recognition of this roll front combined with the intersection of uranium mineralised basement during previous drilling by Stellar upgrades the exploration potential of this lease.

24 August 2009

EL 4242

Figure 1 is taken from USA’s ASX release on 20 August and shows the location and grade of uranium mineralised intersections within that company’s Mullaquanna Project. The three intersections of greatest interest to Stellar are MRM096, 6.6m @ 110ppm U_3O_8 ; MRM097, 3.1m @ 400ppm U_3O_8 and MRM098, 12.9m @ 290ppm U_3O_8 . These intersections borders Stellar’s EL 4242 and were interpreted by USA to indicate that the roll front mineralisation continues south into EL 4242.

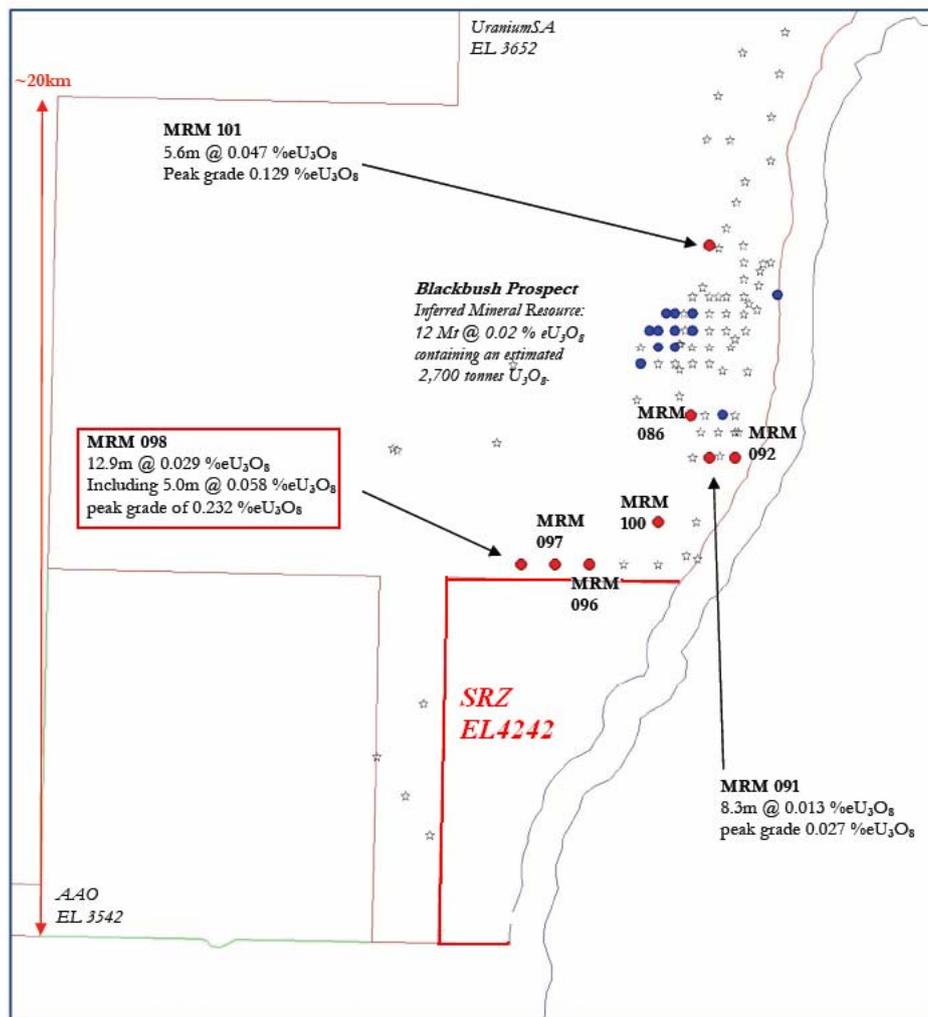
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Under the terms of the EL 4242 joint venture agreement, Stellar is free carried for a 30% equity interest by USA up to delineation of an inferred mineral resource.

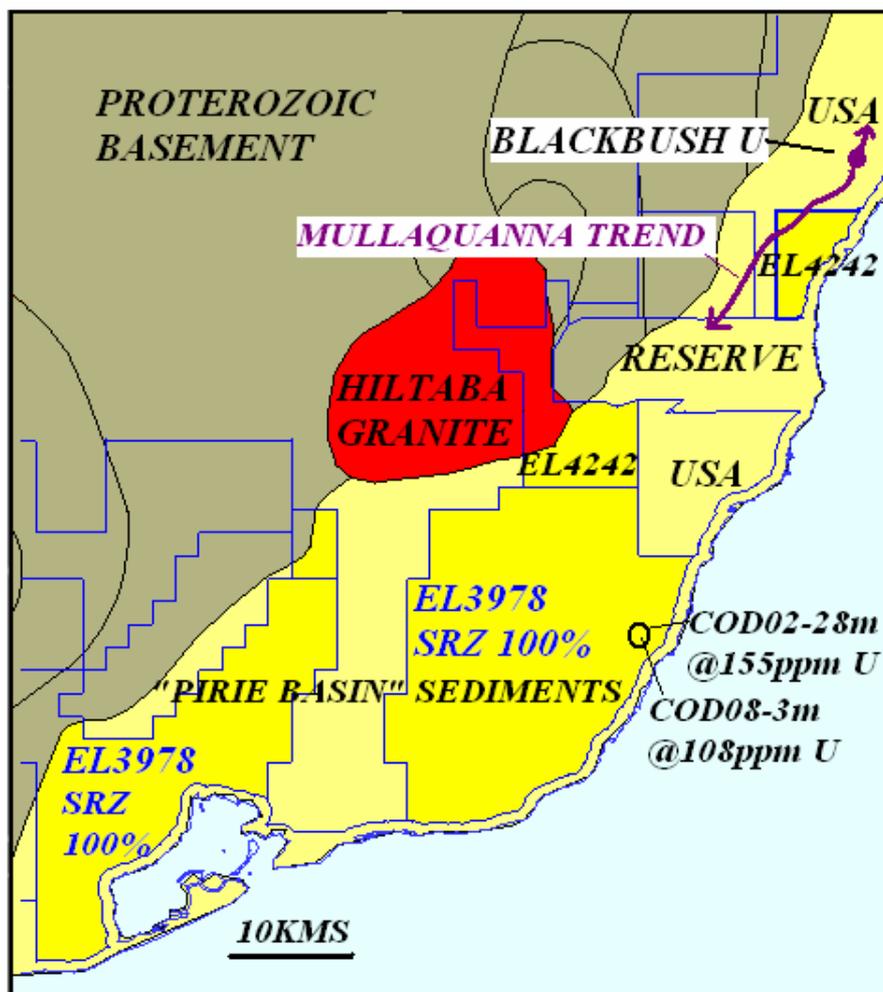


Source: UraniumSA Limited – ASX announcement 20 August 2009

Figure 1 – Location of EL4242 (part) relative to USA’s mineralised drill holes.

EL 3978

Figure 2 shows the southern extension of the Pirie Basin, the Mullaquanna uranium trend defined by USA drilling and the location of Stellar’s wholly owned EL3978 in the southern section of the basin. In 2007, drilling by Stellar within the south-eastern portion of EL3978 on the “Glensea” project area returned significant intervals of uranium mineralisation within intrusive rocks lying beneath 100m of Pirie Basin Tertiary sediments. The most significant results were 28m @ 155ppm U₃O₈ in COD02 and 3m @ 108ppm in COD03.



Source: Primary Industries & Resources SA

Figure 2 – Location EL3978 relative to the Pirie Basin and Mullaquanna trend

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.

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