

28 May 2010

ASX Code: SRZ

ABN 96 108 758 961
Level 7 Exchange Tower
530 Little Collins Street
Melbourne Victoria 3000
Australia

Telephone +61 3 9909 7618
Facsimile +61 3 9909 7621

www.stellarresources.com.au
srzinfo@stellarresources.com.au



Pirie Basin JV Reports Uranium Mineralisation in First Drill Traverse

- Joint Venture partner UraniumSA Limited (USA) has advised that it has completed the first of three regional drill traverses across Stellar's EL 4242 in the Pirie Basin of South Australia.
- The six hole middle traverse (the north and south traverses remain to be drilled) sampled a 4 km wide east-west zone that lies 2 km south of USA's Plumbush discovery (see Figure 1). As expected all holes intersected the target Eocene sand sequence at depths of between 100m and 130m and bottomed in crystalline basement. **Despite the widespaced regional nature of the drilling (holes 800m apart) and the emphasis on defining basin geology, two holes also intersected uranium mineralization.**
- **Hole MRM 127 provided an intersection of 0.7m at 0.039% eU₃O₈ while 800m to the west, MRM 128 intersected 2.9m of sand grading 0.016% eU₃O₈.** The results confirm the presence of uranium mineralization within the Eocene sand sequence and will help to direct future drilling programs focused on higher grade targets.
- These intersections extend the strike length of the northeast-southwest sedimentary uranium trend identified by USA in the Pirie Basin from 10km to 12km.
- Drilling is currently being delayed by rain. When it resumes, it will focus on the north and south traverses shown in Figure 1. The north traverse in particular will be useful in tracking the proximate Plumbush host sequence into EL 4242.
- Under the terms of the JV, USA has to complete an AEM survey and drill 15 holes within 12 months. (This will be completed once all three traverses have been drilled.) If USA elects to continue with the joint venture, it has two years to nominate 40% of the lease area as the continuing project. USA then has the right to earn a 73% interest by meeting expenditure commitments up to the definition of a JORC compliant resource.

About Stellar:

Stellar Resources (SRZ) is focusing on the development of its iron ore and tin projects and advancement of uranium and base metal exploration properties. The company holds a portfolio of tenements located in South Australia, Tasmania and New South Wales that have excellent development potential. Key projects include: Tarcoola Iron Ore located in central South Australia, Heemskirk Tin located near Zeehan in Tasmania, Pirie Basin Uranium located north of Cowell in South Australia and Warrior Uranium located west of Tarcoola in South Australia. The company aims to create shareholder value by identifying and developing mature exploration properties.

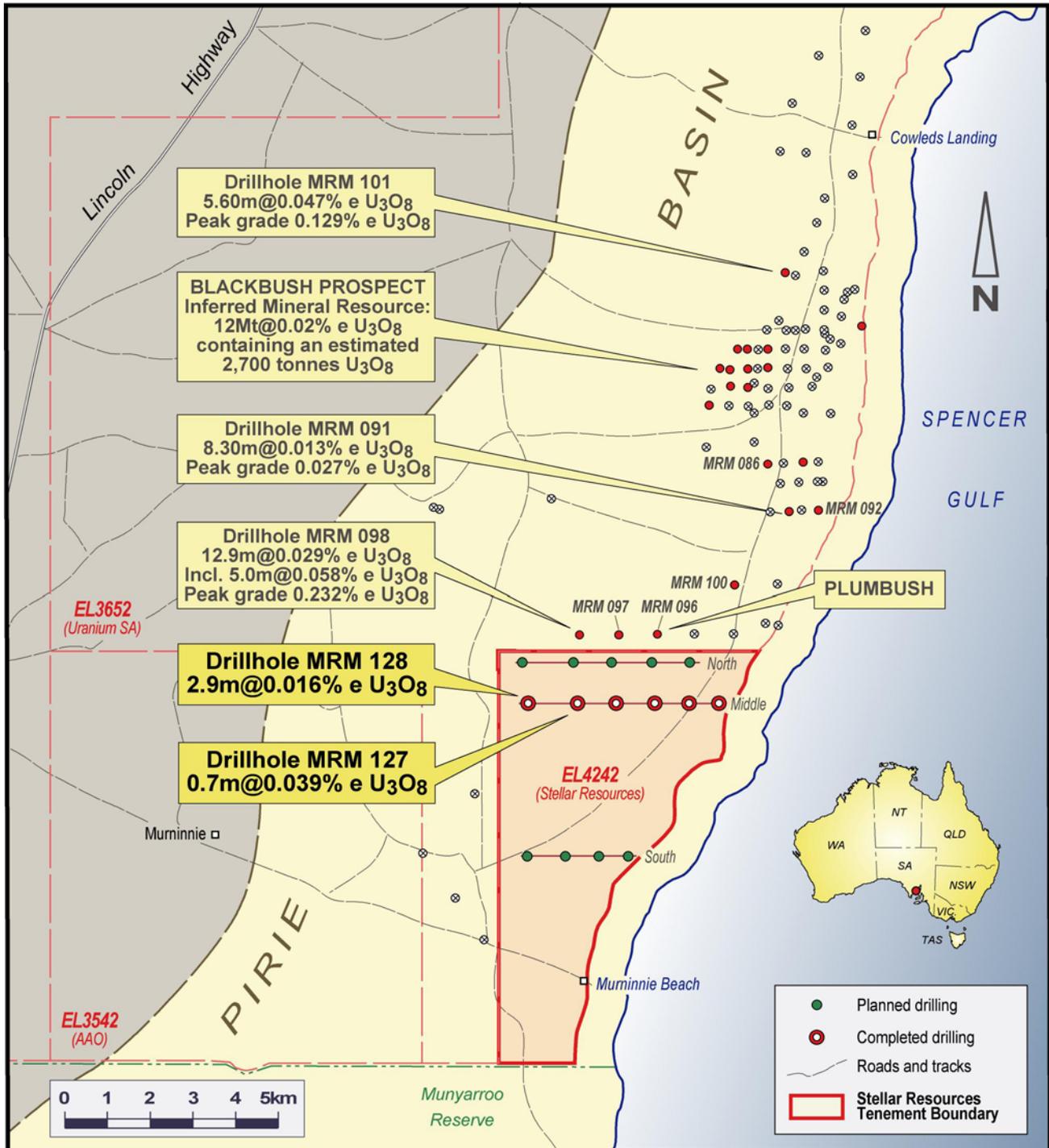


Figure 1 Uranium intersections in and around EL 4242 and planned drill traverses

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.

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>