



## Hicks Hill Assays Confirm Quality Magnetite Body

Assay results and Davis Tube Recovery tests have demonstrated that the near-surface magnetite body at Hicks Hill has the potential to produce a high grade premium concentrate. This excellent result confirms the capability for Hicks Hill to add value to the Tarcoola Iron Ore Project.

### Results show:

- Concentrate grade of 69% iron and 3.8% silica with no deleterious impurities represents a quality product capable of yielding a premium over standard grade magnetite concentrate.
- The high level of consistency in concentrate assays is a positive for the project and implies that the mineralization is relatively homogeneous.
- Average iron head grade of 28% and mass recovery of 33% produces an overall iron recovery rate averaging 80%. This is toward the high end of the range for magnetite mineralisation.
- The next step is to negotiate access with the native title claimants along strike to the west of the drill section. Further access will allow drilling to extend the known mineralisation.

20 July 2010

**Table 1 Hicks Hill Best Intersection and Average Assay Results**

Hicks Hill	Interval m	Head	Mass	Concentrate Grade					
		Grade Fe %	Recovery %	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	S %	LOI %
RC02 (Best Hole)	90	29	40	69	4.2	0.2	0.01	0.01	-3.0
<b>Average (4 Holes)</b>	<b>202</b>	<b>28</b>	<b>33</b>	<b>69</b>	<b>3.8</b>	<b>0.2</b>	<b>0.00</b>	<b>0.02</b>	<b>-2.2</b>

97% passing 38 micron screen

Averages are weighted down hole intersections

ASX Code: SRZ

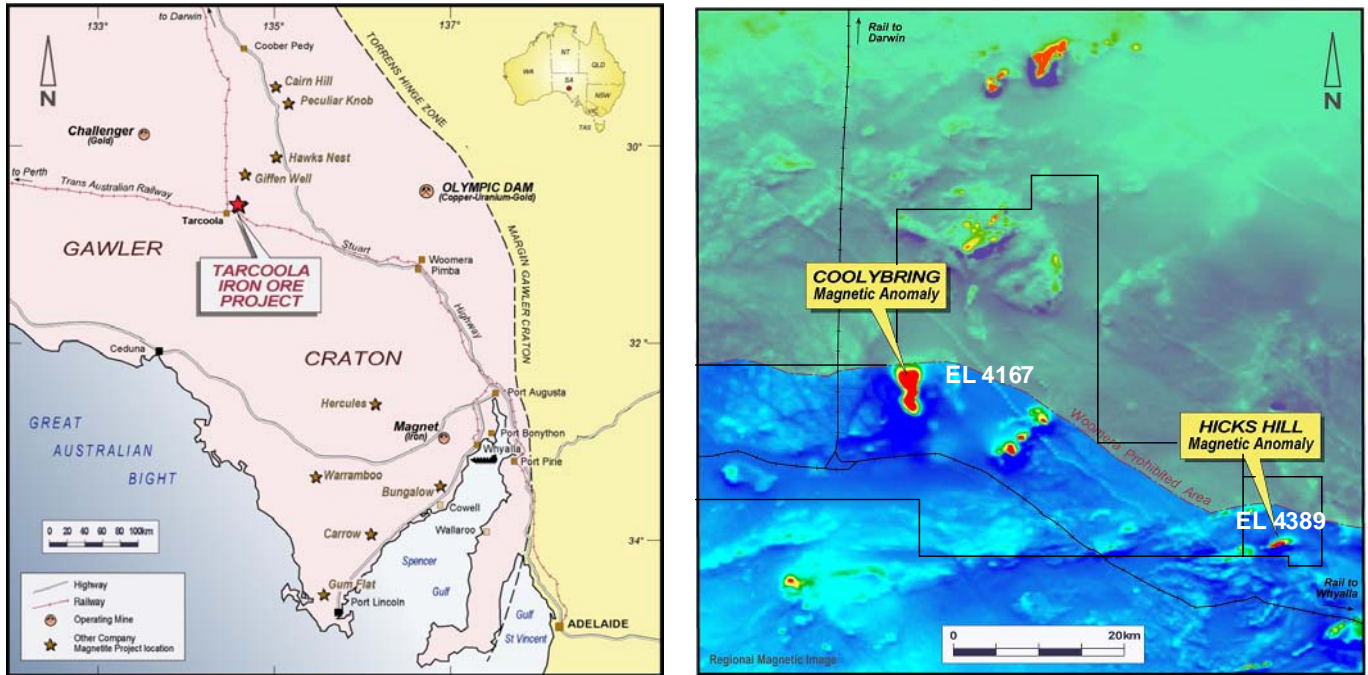
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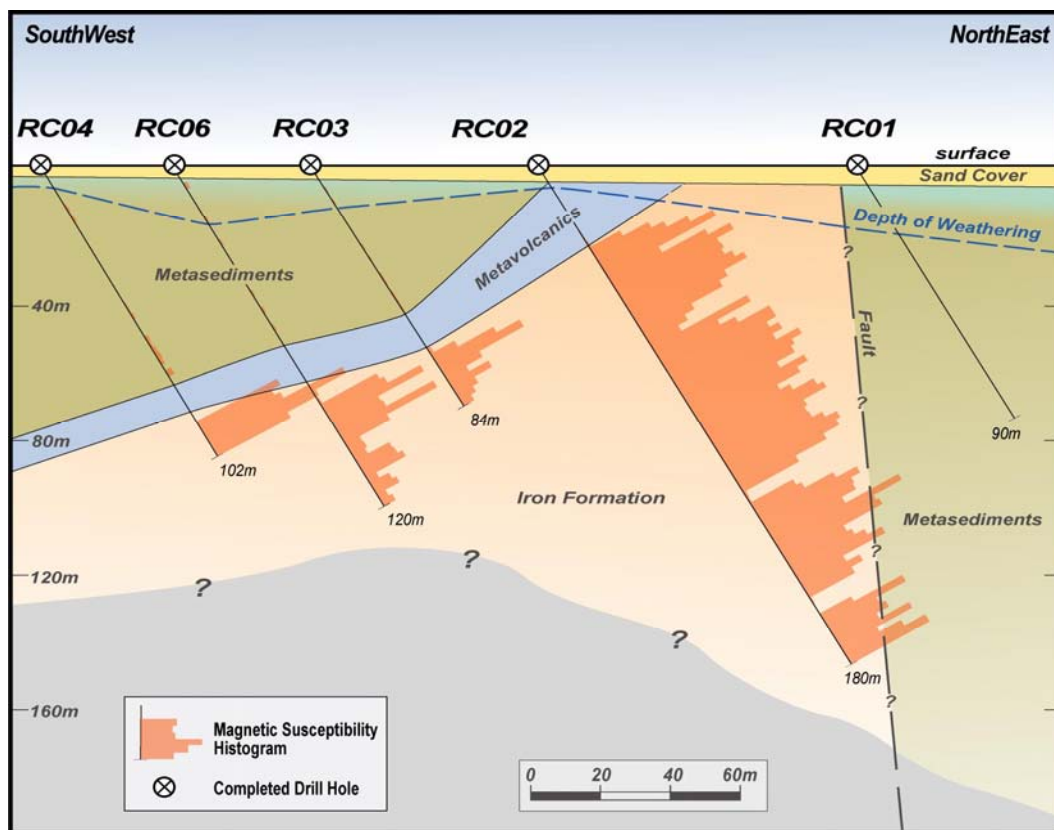
### About Stellar:

*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 Tarcoola locality Map and Regional Magnetic Image Locating Hicks Hill and Coolybring**

Initial drilling, to determine the cross-section and test the quality of magnetite mineralisation at Hicks Hill, has provided very encouraging results. The geological drill section shown in Figure 2 and reported on 2 June 2010, identified a magnetite body that is at least 175m wide and lies within 30m of surface at the northern end of the profile.



**Figure 2 Interpretative Geological Drill Section – Hicks Hill Assay Results Upgrade Project**

Assay results for the holes depicted in Figure 2, are summarised in Table 2. They show that a high quality concentrate grading 69% iron, 3.8% silica and containing no deleterious elements can be produced from the Hicks Hill magnetite mineralisation.

In addition, the concentrate grade shows a high level of consistency implying little variation in the style of mineralisation. Optimisation of the relationship between grind size and concentrate grade could further enhance this outstanding first pass result.

**Table 2 Hicks Hill Assay Results**

Hole Number	From m	To m	Interval m	Head Grade Fe %	Mass Recovery %	Fe %	Concentrate Grade				LOI %	Fe Recovery %
							SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	S %		
RC02	30	120	90	29	40	69	4.2	0.2	0.01	0.01	-3.0	93
RC02	126	156	30	27	34	69	3.8	0.1	0.00	0.01	-3.1	84
RC02	162	178	16	22	32	69	4.6	0.2	0.00	0.01	-3.2	96
RC03	64	82	18	29	26	69	3.2	0.1	0.01	0.03	-2.4	63
RC04	90	102	12	30	35	69	3.1	0.4	0.01	0.02	-3.0	79
RC06	84	120	36	27	16	69	2.8	0.2	0.00	0.02	-2.5	43
<b>Average</b>			<b>202*</b>	<b>28</b>	<b>33</b>	<b>69</b>	<b>3.8</b>	<b>0.2</b>	<b>0.00</b>	<b>0.02</b>	<b>-2.9</b>	<b>80</b>

97% passing 38 micron screen

Averages are weighted down hole intersections

\* Total - all other numbers in this row are weighted averages

Iron head grade and mass recovery are indicators of the amount of magnetite recoverable from the mineralisation. Overall, they are both relatively high averaging 28% and 33% respectively. It is significant that RC02 provided the most extensive test across the magnetite stratigraphy. It also recorded high grade at 29% iron and high mass recovery of 40% over the upper 90m of the 136m intersection. RC04, located 140m south of RC02 recorded similar results albeit over a narrower portion of the stratigraphy. In RC06, variations in mass recovery reflect zones within which the form of iron mineralisation changes with the proportion of hematite increasing relative to magnetite. Importantly, this variation is relatively minor and occurred within approximately 10% of the overall sample.

### Next Step

The quality of the Hicks Hill concentrate has encouraged Stellar to seek permission for more extensive access from the native title claimants to explore the magnetite mineralisation along strike to the west of the current drilling profile. When access is achieved, a drilling program will be scoped.

*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 Consultant 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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