

Heemskirk Tin Drilling Update

Assay results for diamond drill hole ZS107A show that potentially economic widths of ore grade tin mineralisation occur at depth well below the presently defined Severn deposit.

- ZS107A intersected 6m grading 1.1% tin from 531m down-hole including 1m grading 2.2% from 536m.
- Other significant intersections in the hole included 1m at 1.2% from 427m and 1m grading 0.9% from 550m.
- Acid soluble tin grades are negligible indicating that the tin bearing mineral is cassiterite, a positive for metallurgical processing.
- The 6m intersection occurs within the main Pyrrhotite/Pyrite zone identified by diamond drill holes ZS84 and ZS107.
- Assay results confirm the potential to upgrade the inferred resource at Severn with additional drilling as indicated in Figure 1.

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Commenting, CEO Mr Peter Blight said, *“This result continues the positive momentum generated by the drilling program in 2011. The results for ZS107A and ZS107 show that the Severn lode extends at depth in a well defined structure that has the potential to host ore grade mineralisation. Future diamond drilling will seek to better define this structure and add to the Heemskirk resource estimate.”*

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About Stellar:

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

Assay Results from Severn Drilling

Stellar previously reported that diamond drill hole ZS107 had intersected low-grade tin mineralisation in a pyrrhotite/pyrite zone 150m below the deepest historical drill hole ZS84 and possibly near the northeastern edge of this zone.

Diamond drill hole ZS107A, was wedged from ZS107 and intersected the pyrrhotite/pyrite zone 20m up-plunge from ZS107. The assay results for ZS107A in Table 1, show that the pyrrhotite/pyrite zone contained a 6m interval of mineralisation grading 1.1% tin from 531m. This is a significant intersection and demonstrates that ore-grade tin occurs at depth below the known resource at Severn.

Table 1: Assay results from Deep Drilling at Severn

Hole No Severn	From m	To m	*Interval m	Sn %	Acid Sol Sn %
ZS084*	417.0	421.0	4.0	0.69	na
	432.9	443.0	10.1	0.84	na
including	438.0	443.0	5.0	1.13	na
ZS107A	427.0	428.0	1.0	1.20	ns
	531.0	537.0	6.0	1.09	ns
including	536.0	537.0	1.0	2.24	ns
	550.0	551.0	1.0	0.88	ns

*Historical drill intersection
na not available; ns not significant

Acid soluble tin grades are not significant, indicating that tin is likely to be in the form of cassiterite, the most conducive tin mineral to good metallurgical performance.

Table 2: Drill Collar Orientation Data

Hole No	Northing Collar	Easting Collar	Relative Level m	Collar Dip/Azimuth	Depth m	Recovery %
ZS084	5361983	361422	1179	65/285	471	98
ZS107	5361947	361523	1177	70/283	635	98
ZS107A	5361947	361523	1177	70/283	596	98
ZS107A	wedge from 371m - end of hole dip/az			67/276		

Schematic Severn Long-section

The schematic long-section in Figure 1 shows the location of ZS107 and ZS107A to the northeast and 150m and 130m respectively below historical ore-grade tin intersections at Severn. Geological comparison between ZS107 and ZS107A shows that the increase in tin grade between the holes is accompanied by an increase in pyrite relative to pyrrhotite and increased chlorite alteration. These factors may be useful indicators for exploration.

Tin grade in ZS107A is comparable with the assays received for historical ore-grade tin intersections at Severn. The drill hole intersections shown in Figure 1 also suggest that grade has the potential to increase to the southwest of ZS107A. Such an outcome would be consistent with the geological model of increasing tin grade and grain size as proximity to the likely deep-seated tin bearing granite source increases.

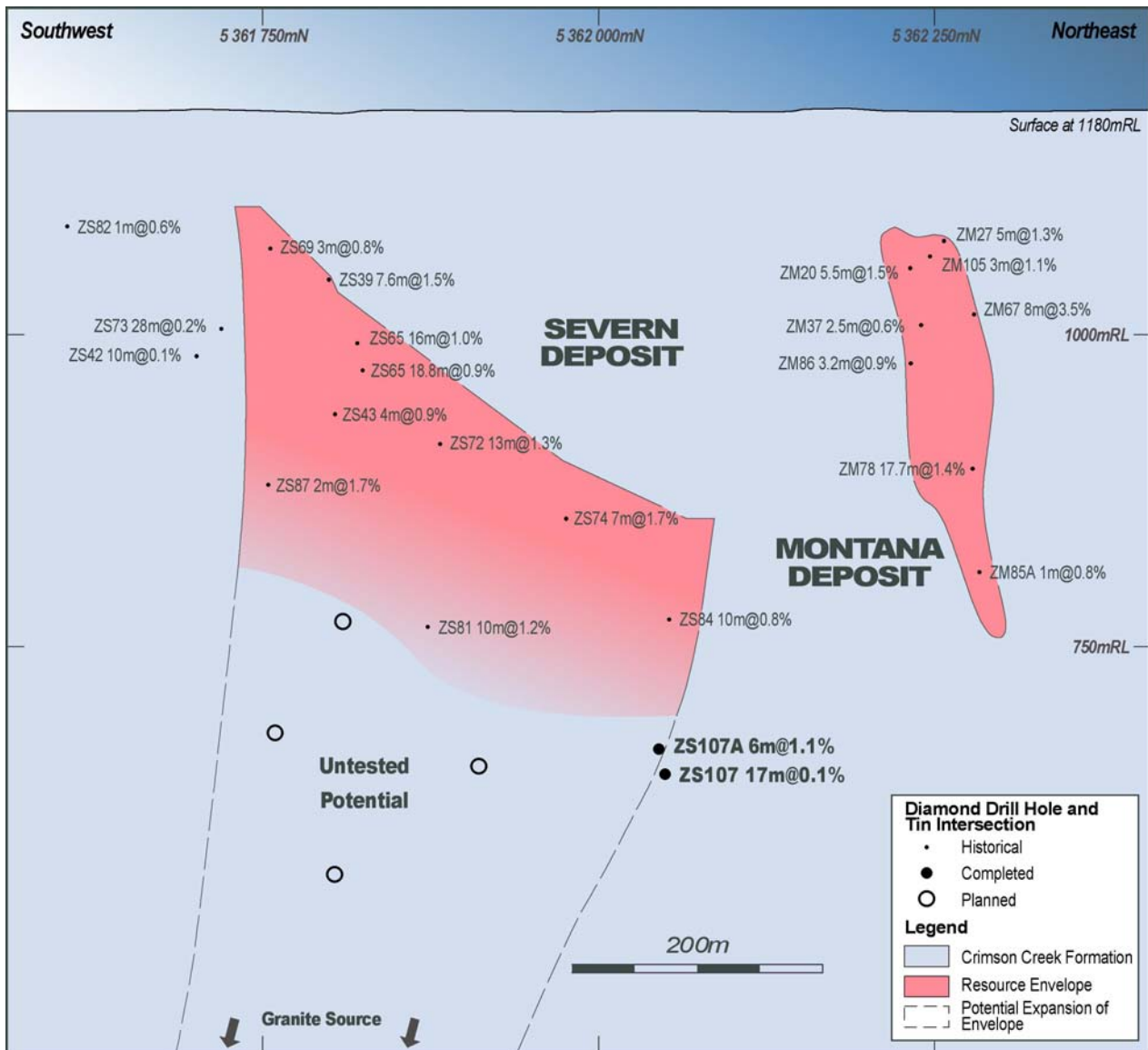


Figure 1: Interpretative Long-section, Showing Tin Mineralised Pierce Points, Severn Deposit

Future drilling will be targeted to test the vertical extension below the highest grade mineralisation where there is potential to double the size of Severn. Four holes are planned to test this priority target in the next stage of drilling.

Competent Persons Statement – Exploration

The drill and exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr R K Hazeldene (Member of the Australasian Institute of Mining and Metallurgy and Member of the Australian Institute of Geoscientists) who is a Consultant of the Company. Mr Hazeldene 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 Hazeldene 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.

Background

The Heemskirk Tin Project is located near Zeehan on Tasmania’s West Coast in an area well serviced by power, water, transport, mining and other infrastructure. Stellar holds a 60% interest in the project with joint venture partner Gippsland Limited and can increase its holding to 70% by completing a feasibility study.



Figure 2: Location of the Heemskirk Tin Project

Drilling by Gippsland Limited in the 1970s and subsequently Aberfoyle Limited during the 1980s identified three tin deposits; Queen Hill, Montana and Severn. In 2010, Stellar added to the substantial drilling database with 6 holes into the near surface Queen Hill deposit. The Stellar results confirmed the high grade nature of the mineralisation and provided fresh samples for metallurgical testing. As previously reported, these tests indicated that tin is recoverable using a process similar to that employed at the nearby Renison Bell tin mine.

Heemskirk Mineral Resource									
Deposit	Indicated			Inferred			Total		
	kt	% Sn	kt Sn	kt	% Sn	kt Sn	kt	% Sn	kt Sn
Queen Hill	1,600	1.2	19				1,600	1.2	19
Montana				360	1.6	6	360	1.6	6
Severn				2,400	0.9	23	2,400	0.9	23
Total	1,600		19	2,760		29	4,360	1.1	48

cut-off grade 0.6% tin

estimated on 3 March 2011 by Mining One Pty Ltd

Competent Persons Statement – Heemskirk Mineral Resource

The information in this report that relates to Mineral Resources is based on information compiled by Michael McKeown who is a fellow of the Australasian Institute of Mining and Metallurgy. Michael McKeown is employed by Mining One Pty Ltd and he has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC Code). Michael McKeown consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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