ASX Release

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Drilling Resumes at Goldfinger

Stellar Resources is pleased to report that a two hole diamond drill program has started to continue the assessment of the exciting Goldfinger base metals project, located some 20km south of Broken Hill, NSW.

Due to drill rig constraints, a program of two holes totaling approximately 500 metres of drilling is planned. The first hole is designed to target an aeromagnetic anomaly located adjacent to the extensive gravity high and the second hole has been designed to test a position up-dip from, and approximately 300 metres west of, the encouraging zinc geochemical intersection in the earlier drill-hole GFDDH02.

Results for this program are anticipated in this (March) quarter.

Comment

Prior drilling along the Goldfinger gravity trend has confirmed a thick sequence of garnetiferous, Broken Hill "lode style" metasediments, with strongly anomalous base metal (zinc, silver, lead) geochemical levels. Continuing review and assessment of the geochemical trends and geophysical responses has defined these two drilling targets within the 2.5 by 0.5 kilometres extent of the initial gravity target zone..

Hole GFDDH05 (Fig 1) is planned to test a local aeromagnetic target immediately south of and parallel to the center of the gravity high. A prior vertical RAB geochemical hole in the vicinity of the inferred magnetic source intersected 8m @ 0.35% Zn and 0.22% @ Pb (RABGF041 – 91 to 99m EOH).

Hole GFDDH06 (Fig 1) is planned to test the mid point between "lode" intersections in holes GHDDH02 and GFDDH03. As previously announced, these holes both intersected narrow zones of zinc mineralisation within broader lead/zinc "lode" zones.

Stellar considers that the large dimensions of this anomaly, together with the already discovered anomalous base metal geochemistry, makes Goldfinger an outstanding prospect.

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Details

The Goldfinger gravity anomaly (Figure 1) is inferred to represent a major zone of base metal mineralisation with potential comparable to the Broken Hill mining camp.

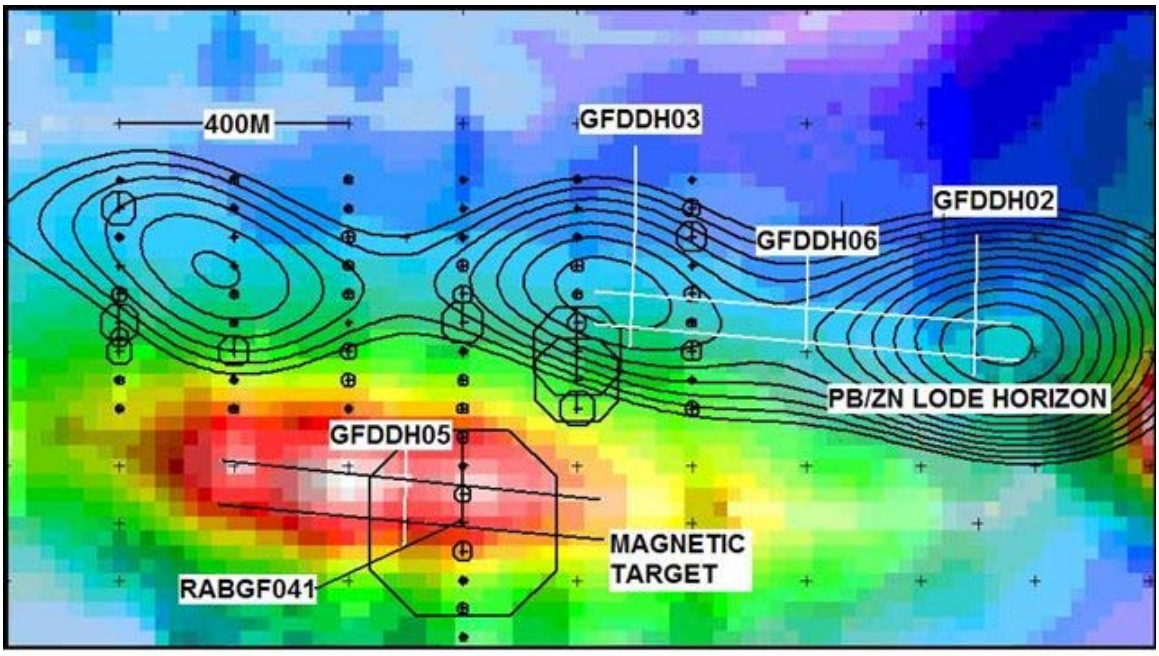

Figure 1 – Locations for proposed holes GHDDH05 and GFDDH06 on aeromagnetic image, showing gravity gradient contours and locations for existing holes GFDDH02 and GFDDH03.

Ownership

Stellar is entitled to earn a 51% interest and then a 60% interest by expenditure of $1.2m and $2.0m respectively. In addition, should JV partners elect to convert their interest to royalties, Stellar may earn additional equity above 60%. To date Stellar has expended some $1m towards the initial earn in.

As FALCON® data have been acquired over the project area, BHP Billiton holds buy-back rights and may "claw back" up to a 51% interest in the Goldfinger prospect. Should this occur, Stellar is entitled to recoup a multiple of past expenditure and retain a 2% royalty over BHP Billiton's interest.

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 with more than twenty years experience in the field of activity being reported. 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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