



UraniumSA – Joint Venture to Explore for Uranium in Kingoonya Palaeochannel, Tarcoola

Stellar Resources Limited (Stellar) advises that consequent to the successful IPO of UraniumSA Limited (USA) all conditions precedent for the JV, announced to the ASX on 31 July 2006, have been met.

Stellar has been allocated 10,266,980 shares in UraniumSA Limited in the IPO and currently owns some 17 percent of the issued shares of USA.

The Joint Venture with USA applies to Stellar's exploration tenure over the Kingoonya Palaeochannel System in the Tarcoola region (Figure 1).

USA is a newly formed company whose mission is to become a long term participant in the Australian and International uranium industry. Focussed on the Gawler Craton Uranium Province, the company has collaborated with Stellar to build a portfolio of high quality exploration tenements.

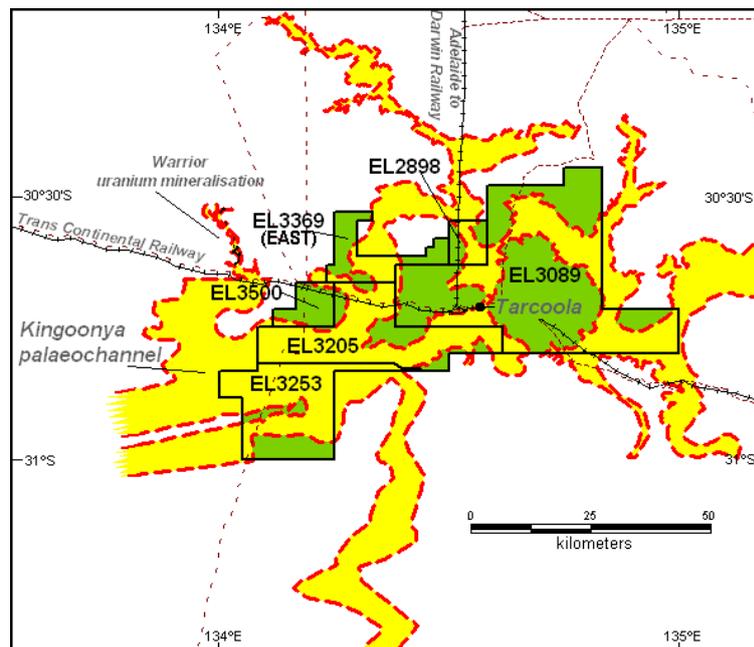


Figure 1 – Stellar's Tarcoola Tenements and Kingoonya Palaeochannel Extent

As a result of this shareholding, Stellar will enjoy an equity participation in a significantly expanded coverage of the **Kingoonya Palaeochannel System** well in excess of Stellar's existing Tarcoola landholding and most importantly, have a Joint Venture partner focussed on uranium exploration of this system.

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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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