

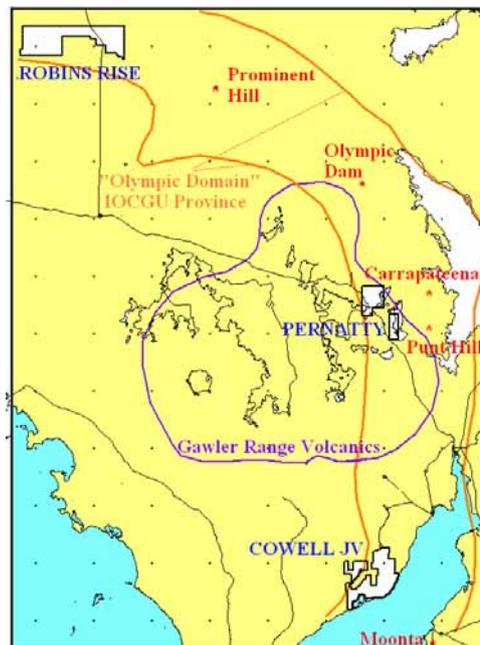


Farmin and JV Agreement – Avoca Resources “Cowell” IOCG project

Stellar Resources Limited (Stellar) is pleased to advise that it has negotiated the right to earn a 75% interest in Avoca Resources’ "Cowell" project in the eastern Eyre Peninsula region, SA. The agreement covers ELs 3016, 3148 and 3418 and extends over an area exceeding 1,200km².

Under the terms of the agreement, Stellar will reimburse Avoca \$15,000 of its costs and commit to spend \$150,000 on mineral exploration programs in the next 12 months. After this minimum expenditure, Stellar may proceed to earn a 75% interest in the joint venture by spending a further \$500,000 in the following 3 year period.

Stellar regards the tenement package as highly prospective for iron-oxide-copper-gold-uranium (IOCGU) style mineralisation.



Location of the Cowell project JV and Stellar’s additional tenements in the “Olympic Domain” IOCGU province

The Cowell project area lies within the southern portion of the “Olympic” IOCGU domain (as defined by Geoscience Australia), in an area of regional aeromagnetic relief comparable to the Moonta Wallaroo copper district on the Yorke Peninsula. The area was targeted by Avoca following interpretation of aeromagnetic data, which showed an area of magnetic anomalism adjacent to an interpreted Hiltaba Suite Granite. A major north-south trending lineament corridor visible in this data is deflected around granite intrusive bodies to the immediate north-east and south-east of the project licence area.

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Prior exploration work by Avoca included drill testing of aeromagnetic highs in the “Glensea” prospect area, with all three holes completed returning intervals of significant copper mineralisation as follows:

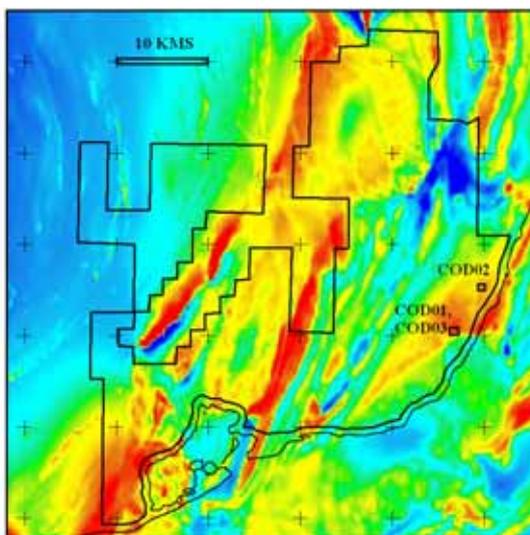
COD1 intersected significant high grade Cu mineralisation in a quartz vein at 110m depth with a best result of **0.9m @ 3.25% Cu, 0.24 g/t Au and 2.4 g/t Ag** from 115.47m.

COD2 intersected anomalous copper up to 0.3% Cu associated with granitic intrusives and late calcite veining.

COD3 intersected strongly altered and brecciated volcanic rocks (possibly equivalent to Myola Volcanics and/or Moonta Porphyry) from 144m. At 183.6m, a thin, massive chalcopyrite vein was intersected and returned a result of **0.4m @ 3.5% Cu, 0.94 g/t Au and 2 g/t Ag**.

Stellar plans to complete further drill tests of the magnetic zone around holes COD1 and COD3 and detailed gravity coverage of the eastern portion of the licence area to define possible hematite dominant, non-magnetic IOCGU targets.

The latter area includes some 400km² of Gawler Craton basement lithologies concealed beneath approximately 70m – 100m of younger sedimentary cover. As has been shown at both Carrapateena and the new Punt Hill discovery, detailed gravity coverage is required to define potential drilling targets in areas away from any discrete magnetic anomalism. Existing gravity coverage within the licence area is not at an adequate station density to define these styles of targets. Consequently, Stellar plans to conduct a detailed gravity survey once a survey crew can be sourced.



The Cowell JV project will form an integral part of Stellar’s aggressive program to evaluate IOCGU targets within the “Olympic Domain”, including the assessment and detailed gravity acquisition program in the Pernatty licence areas and the current 5 prospect drilling program and extensive gravity coverage in the Robins Rise project area.

Regional (PIRSA) aeromagnetic image – Cowell Project

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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