

Pernatty drilling update

Stellar Resources advises it has completed drilling MGDDH01 on the Pernatty project area (EL3583) in South Australia at a hole depth of 1,072m. The IOCGU style geophysical target anomalies (magnetic and gravity) appear to be explained by a thick sequence of hydrothermally altered Gawler Range Volcanics, intersected from 877m to 1,071.9m (EOH).

This interval comprises pervasively hematite altered and veined mafic volcanics, possibly indicating proximity to a significant IOCGU style system, although no visible signs of economic mineralisation are evident. Sections of core will be prepared for assaying to ascertain whether the hematite alteration is geochemically anomalous for copper, rare earths, gold or uranium.

Planning for and commitment to a second drill hole is now deferred into 2008 after receipt of assays and geochemical and geophysical interpretation of results from this first hole are made.

12 December 2007

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Close-up of hematite alteration and veining within mafic Gawler Range Volcanics – MGDDH01, 890.5m

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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