



## Placement to Institutional Investor

The directors of Stellar Resources are pleased to announce a proposed placement of 7,142,857 new ordinary fully paid shares to an institutional investor. The shares will be placed at 14 cents each and raise \$1.0 million of new capital. They will rank equally with all other ordinary shares of the Company on issue and will not require shareholder approval.

The funds raised are to be directed principally to a drilling program at the Tarcoola Iron Ore project. The drilling program will test a number of hematite targets, previously defined by ground gravity, and the lateral extent of associated magnetite mineralisation within the Coolybring deposit.

Stellar has permits in place and has secured a reverse circulation drilling rig to begin the program in October 2008.

More information on the drilling targets is provided in a presentation entitled Tarcoola Hematite Potential released to the ASX on 4<sup>th</sup> July 2008 and published on Stellar's website (address below).

Stellar Resources Chief Executive Officer Mr Peter Blight is pleased that the funding will allow Stellar to test its compelling hematite targets and provide an early indication of the size of the magnetite deposit. He went on to welcome Stellar's newest shareholder saying "the capital raising represents a strong endorsement of the company's iron ore project".

### About Stellar

*Stellar Resources Limited listed on the ASX in April 2005 as an exploration company with a significant tenement position in South Australia's highly prospective copper-gold province and Tasmania's proven west coast basemetals province. In South Australia, the Tarcoola Iron Ore Project is now the company's key focus while in Tasmania, acquisition of a 60% interest in the Heemskirk Tin Project in March 2008 provided a particularly attractive development project that is now the core asset in the proposed Columbus Metals IPO.*

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