

Zinc Mineralisation – Tarcoola

As reported on January 16th, Stellar Resources Limited has now received assay results from its 1,444 metre RC drilling program at its 100% owned Coolybring iron ore deposit at Tarcoola in South Australia. In addition to assaying for iron, routine base and precious metal assays revealed a zone of anomalous zinc, lead and silver mineralisation associated with the unconformable contact between the basement iron formation and overlying Proterozoic Tarcoola Formation.

Anomalous silver lead and zinc had been observed in earlier drilling, but not at sufficient levels to warrant any further evaluation. However, in the latest program, hole 18 has changed this perception returning an interval of **3.5m at 3.6% Zn and 4.3 g/t Ag within a 10.1m interval grading 1.6% zinc and 2.1g/t silver**. This mineralised intercept occurs within an unusual pyrrhotite matrix supported breccia (Figure 1), at the interpreted western structural boundary with the banded iron formation.



Figure 1 – Contact breccia with pyrrhotite matrix – 230m down hole 18

Intersection intervals and grades for significant base metal assays from all drilling to date at Coolybring are included in Table 1.

Table 1 – Significant Base Metal Intervals

Hole Number	From m	To m	Interval m	Zinc %	Lead %	Silver ppm
WIL018PD	223.0	233.1	10.1	1.58		2.1
incl	228.5	232.0	3.5	3.59		4.3
WIL019RC	126	128	2	1.76	0.19	12.6
WILDD005	118	122	4	1.21	0.44	3.7
WIL007PD	95	99	4	0.73	0.29	47.0
WIL021RC	172	184	12	0.54	0.32	3.4
WILRC008	126	132	6	0.43		
WIL015RC	128	136	8	0.36	0.13	2.2
WIL017RC	150	152	2	0.21	0.10	1.0
WILDD004	112	114	2	0.21	0.33	17.0
WILRC006	122	124	2	0.18	0.23	9.0

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Figure 2 shows the drill collar locations for holes identified in Table 1.

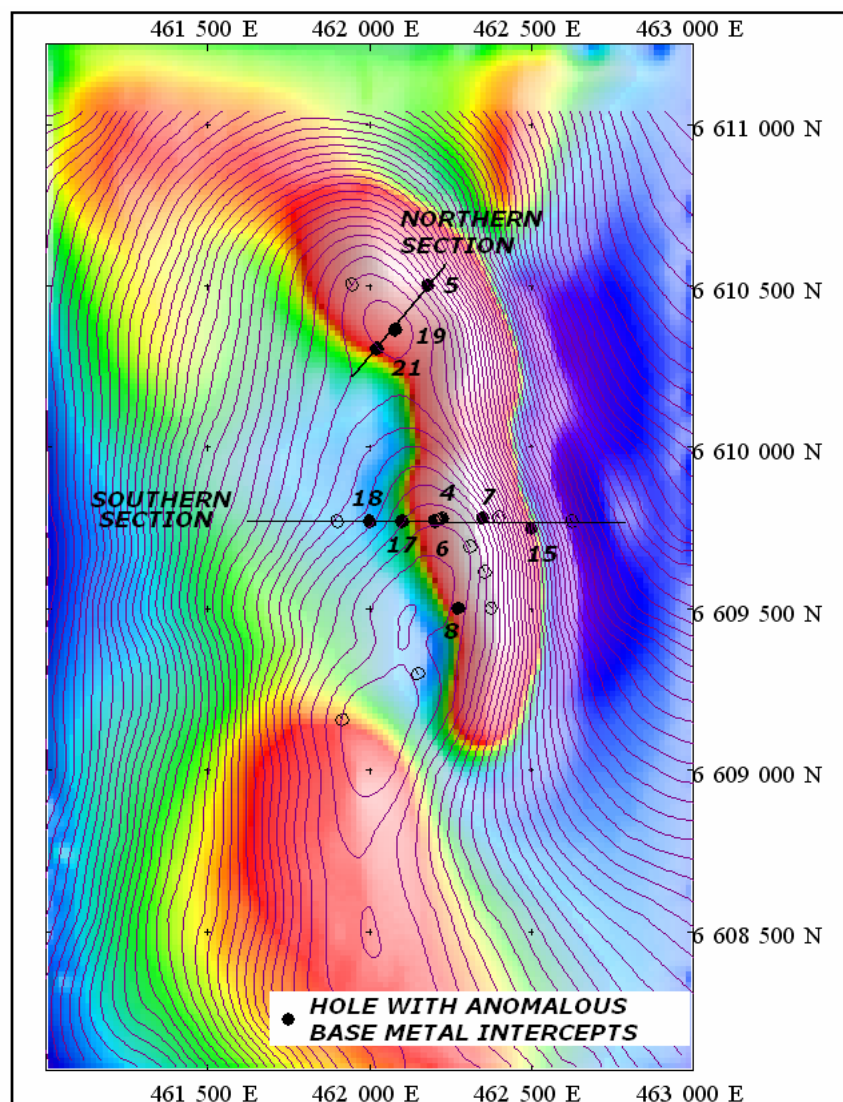


Figure 2 – Magnetic image of the Coolybring deposit with gravity contours and collar locations for holes returning base metal anomalism

Figure 3 shows positions for all of the base metal intersections (shown by yellow circles) on the Southern section. Hole 18 is currently the most westerly hole, testing the down faulted edge of the inferred basement high in the underlying ironstone. As shown in Figure 2, three holes from the Northern section also contain base metal mineralisation, but these holes have not tested the equivalent fault position of hole 18.

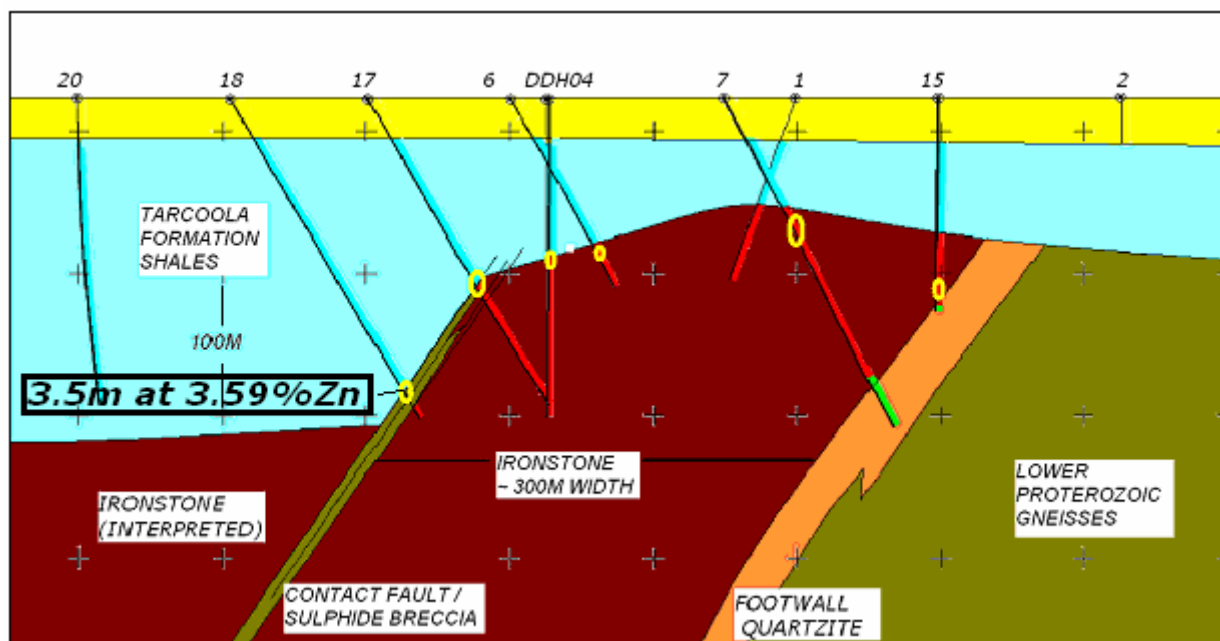


Figure 3 – Southern section interpretative geology, showing intervals of anomalous base metal mineralisation within yellow circles.

The style of zinc mineralisation in hole 18 is comparable to breccia hosted mineralisation recorded from similar structural settings adjacent to major Proterozoic base metal deposits in northern Australia (HYC deposit at McArthur River, NT and the Century and Dugald River deposits in western QLD). Potential for this style of deposit within the Proterozoic Tarcoola Basin has previously been recognised by PIRSA, and represents a significant target within the Coolybring project area.

Further Work

Stellar’s primary goal at Coolybring continues to be evaluation of the iron mineralisation. Investigation of the potential for zinc mineralisation within Tarcoola Formation shales will be undertaken where drilling both targets can be accommodated.

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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