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Stellar completes option agreement over Robins Rise tenements with Western Plains Resources

Stellar has successfully concluded an option agreement with Western Plains Resources (WPG) over EL 3336 and EL 3436 in the “Robins Rise” project, to the southwest of Coober Pedy in South Australia.

Under the terms of the agreement, WPG will pay an option fee of \$100,000 to Stellar on signing the agreement and will meet all commitments to keep the tenements in good standing for a period of 12 months. WPG can then exercise the option by paying a further \$250,000 to Stellar or allow the option to lapse in which case Stellar retains ownership of the licences.

WPG will also pay Stellar a royalty of \$0.60/tonne on any coal or iron ore mined from the tenements. Stellar retains the right to acquire a 49% joint venture interest in any non coal or iron ore mineral resource identified during WPG’s exploration activities.

Stellar’s exploration and development priorities continue to be focused on the Tarcoola Iron Ore Project in South Australia and the Heemskirk Tin Project in Tasmania. Accordingly, Stellar welcomes WPG’s involvement in the on-going assessment of the Robins Rise tenements. WPG have indicated their immediate focus will be on assessment of the Penrhyn coal resource with a view to establishing an energy source for their Hawks Nest magnetite project. In the event that WPG’s plans for local power generation are achieved, Stellar will be in a position to review this as an option for power requirements for the Tarcoola Iron Ore project, as well as directly benefiting through its royalty receipt for coal production from Penrhyn. Stellar welcomes the opportunity to develop a continuing association with WPG as the iron ore potential of South Australia’s central Gawler province is further progressed.

ASX Code: SRZ

ABN 96 108 758 961
Level 7 Exchange Tower
530 Little Collins Street
Melbourne Victoria 3000
Australia

Telephone +61 3 9909 7618
Facsimile +61 3 9909 7621

www.stellarresources.com.au
szinfo@stellarresources.com.au

For further details please contact:

Peter Blight
CEO

Tel: 03 9909 7618

Email:

peter.blight@stellarresources.com.au

Chris Anderson

Director

Tel: 08 8363 1589

Email:

chris.anderson@stellarresources.com.au

or visit our Website at: <http://www.stellarresources.com.au>