

23 October 2009



Dear Fellow Shareholder,

I am writing to provide you with a brief update on our company's activities.

Firstly, we are pleased to have navigated through the turbulence of the recent global crisis and to have come out the other side in a stronger position. In part this is due to some good housekeeping, including significant cost cutting. It is now appropriate to refocus our energies towards achieving our corporate goals.

We also reconfigured and improved our exploration holdings to give more prominence to our more advanced assets, including:

- Iron Ore – in the Tarcoola region, South Australia
- Uranium – in the emerging Pirie Basin and at Warrior, also in South Australia
- Tin at the Heemskirk Tin Project in Tasmania.

These advanced assets hold known mineral inventories which require further work to take towards JORC inferred resources.

Our **Tarcoola iron ore project** has been improved by adding the Hicks Hill licence to complement our known Coolybring deposit, with its target of 500Mt. Hicks Hill itself has an exploration target of over 200Mt of magnetite, importantly at surface. With no significant prior drilling on the Hicks Hill ironstone we are keen to conduct an initial test program as soon as possible, so as to establish the grade and metallurgical characteristics of this significant target.

Our **uranium** prospectivity is strongly enhanced by our large ground holding in the southern part of the Pirie Basin which is emerging as a uranium province following **UraniumSA's discovery of the Blackbush** uranium deposit. We share UraniumSA's enthusiasm for the Pirie Basin as a geological province comparable to the Frome Basin, which hosts the Beverley, Four Mile and Honeymoon uranium projects. Stellar plans to commence drilling this asset during early 2010.

Our other assets, including the Heemskirk Tin project in Tasmania, where tin has already been identified, the Goldfinger lead/zinc project near Broken Hill and Olympic Dam style copper-gold targets in South Australia are also being reviewed for assessment work and drilling.

We appreciate the patience and loyalty of shareholders who have witnessed a reduced level of activity during the recent downturn and we look forward with optimism to generating good news from the drilling rig in the coming months.

Our goal is to enhance shareholder wealth through mineral discovery and development.

We have separately released a copy of the 2009 Business Review for downloading from our website www.stellarresources.com.au. If a hard copy is preferred please contact the office.

With best regards,

T J Burrowes
Chairman

STELLAR RESOURCES LIMITED

ABN 96 108 758 961

Level 7 Exchange Tower
530 Little Collins Street
Melbourne Victoria 3000

Tel + 61 3 9909 7618 Fax + 61 3 9909 7621