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Hicks Hill Drilling Confirms Shallow Thick Magnetite Body

Stellar Resources has completed a successful 6 hole RC drilling program designed to test magnetite targets across the width of coincident magnetic and gravity anomalies to the east of Hicks Hill. The anomalies are located 40km southeast of Stellar's Coolybring banded iron deposit and within 10km of the Trans-Australian railway line in central South Australia (see Figure 1). There has been only one prior drill hole at Hicks Hill and it targeted gold.

- Results show a shallow magnetite body that has a horizontal width of at least 175m at its broadest point and remains open to the south and at depth (see Figure 2).
- As expected, the magnetite mineralisation lies within 30m of the surface at the northern end of the profile and conceptually provides an opportunity for a shallow open pit development.
- Magnetic susceptibility readings shown in Figure 2 for RC02 are consistent down the hole apart from three narrow zones of reduced magnetism. These relatively minor zones are interpreted to reflect zones of increased hematite and/or metasediment content.
- The iron formation has a fine grained layered texture but differs from Coolybring mineralisation in that it does not exhibit macroscopic silica banding. Iron assay and Davis Tube Recovery results for magnetite will be known in 4 to 6 weeks time.
- Once assay and DTR results are received and compiled a more complete picture will be available for the Hicks Hill area. This will allow the company to evaluate further exploration options such as deeper diamond cored drilling to determine the structural distribution of the magnetite. In addition, negotiations to gain access over a greater area will also be considered.
- If Hicks Hill could be brought into the Coolybring project, it has the potential to improve cash flow and extend estimated mine life, producing a positive impact on its net present value.

About Stellar:

Stellar Resources (SRZ) is focusing on the development of its iron ore and tin projects and advancement of uranium and base metal exploration properties. The company holds a portfolio of tenements located in South Australia, Tasmania and New South Wales that have excellent development potential. Key projects include: Tarcoola Iron Ore located in central South Australia, Heemskirk Tin located near Zeehan in Tasmania, Pirie Basin Uranium located north of Cowell in South Australia and Warrior Uranium located west of Tarcoola in South Australia. The company aims to create shareholder value by identifying and developing mature exploration properties.

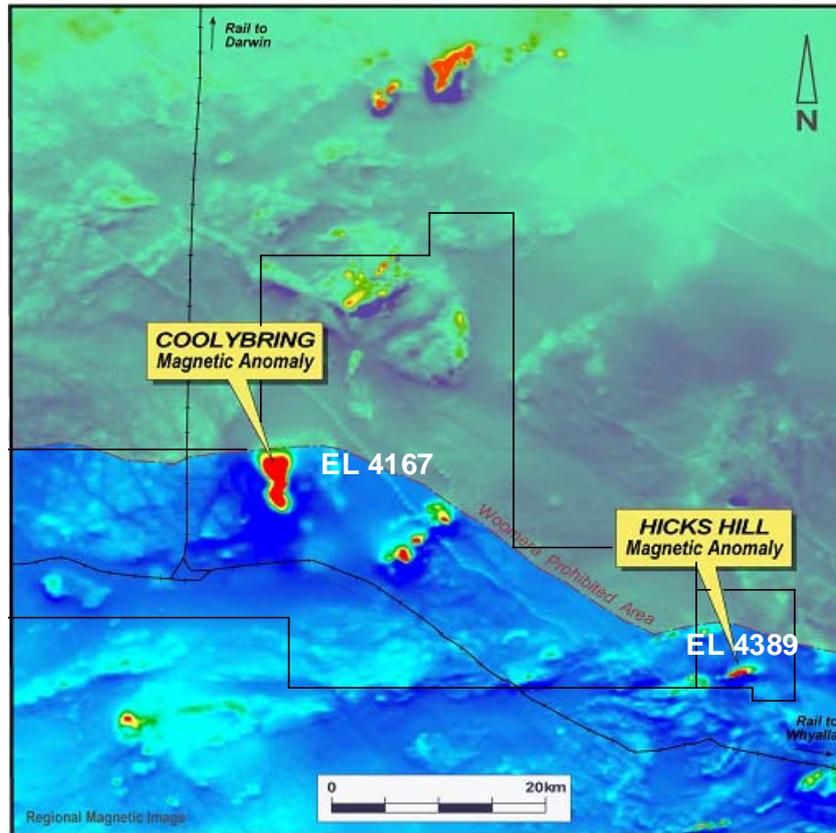


Figure 1 Regional Magnetic Image Locating Hicks Hill and Coolybring

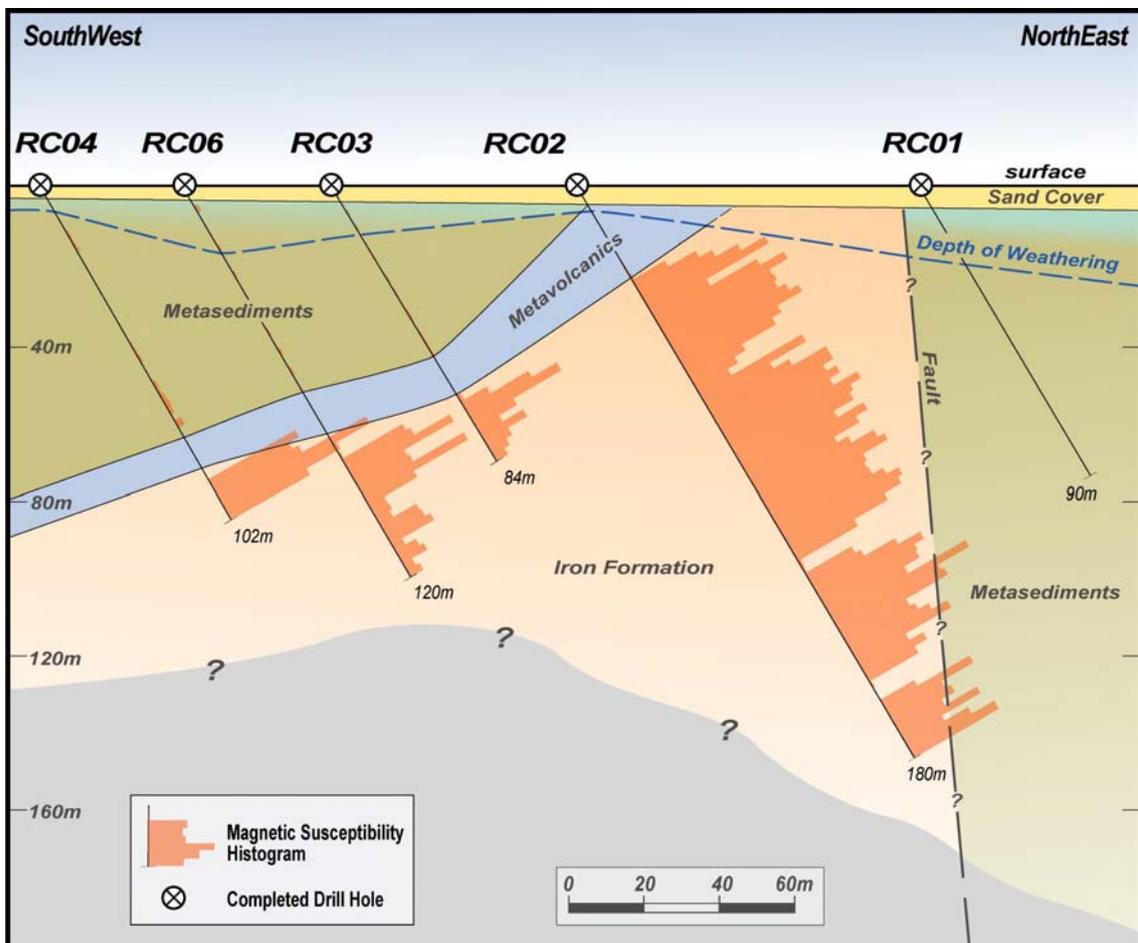


Figure 2 Interpretative Geological Drill Section – Hicks Hill

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. Mr. Anderson has sufficient experience relevant to the style of mineralisation and type of deposits being considered to qualify as a Competent Person as defined by the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2004 Edition). 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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