

9 March 2012

ASX Code: SRZ

ABN 96 108 758 961
Level 17, 530 Collins Street
Melbourne Victoria 3000
Australia

Telephone +61 3 9618 2540
Facsimile +61 3 9649 7200

www.stellarresources.com.au



Diamond Drilling Resumes at 100% Owned Heemskirk Tin

- Diamond drilling has resumed on the Severn orebody with completion of the first hole expected in early April.
- Drilling program of 10,000 metres planned for completion by March quarter 2013 with two rigs operating from April 2012.
- The program will also aim to upgrade and enlarge resources at Queen Hill and Montana.
- Last hole drilled at Severn in November 2011 (ZS107A) intersected 6m at 1.1% tin from 531m and demonstrated the potential for good grade mineralisation at depth.
- High resolution aeromagnetic survey to define structure and additional targets near the known deposits will be completed in March.



About Stellar:

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

Drilling Plan

- First 5 holes totalling 3,000m will test the potential to extend the Severn deposit below known mineralisation to a depth of 650m from surface – current resource drilled to a depth of 350m.
- 1,000m of drilling planned to test geophysical targets identified by the aeromagnetic survey aims to add new resources to known deposits.
- 2,000m of infill resource drilling at Severn to move from inferred to indicated resource.
- 3,000m of infill and extensional drilling at the high grade Queen Hill and Montana resources.
- 1,000m of drilling at St Dizier to upgrade historical results to JORC status.

Severn Extension Drilling

Figure 1 shows the position of planned extensional diamond drill holes and infill holes on a schematic long-section of the Severn deposit. The first hole is located 50m to the southwest of historical diamond drill hole ZS81 which intersected 10m at 1.2% tin and 120m below ZS87 which intersected 2m at 1.7%.

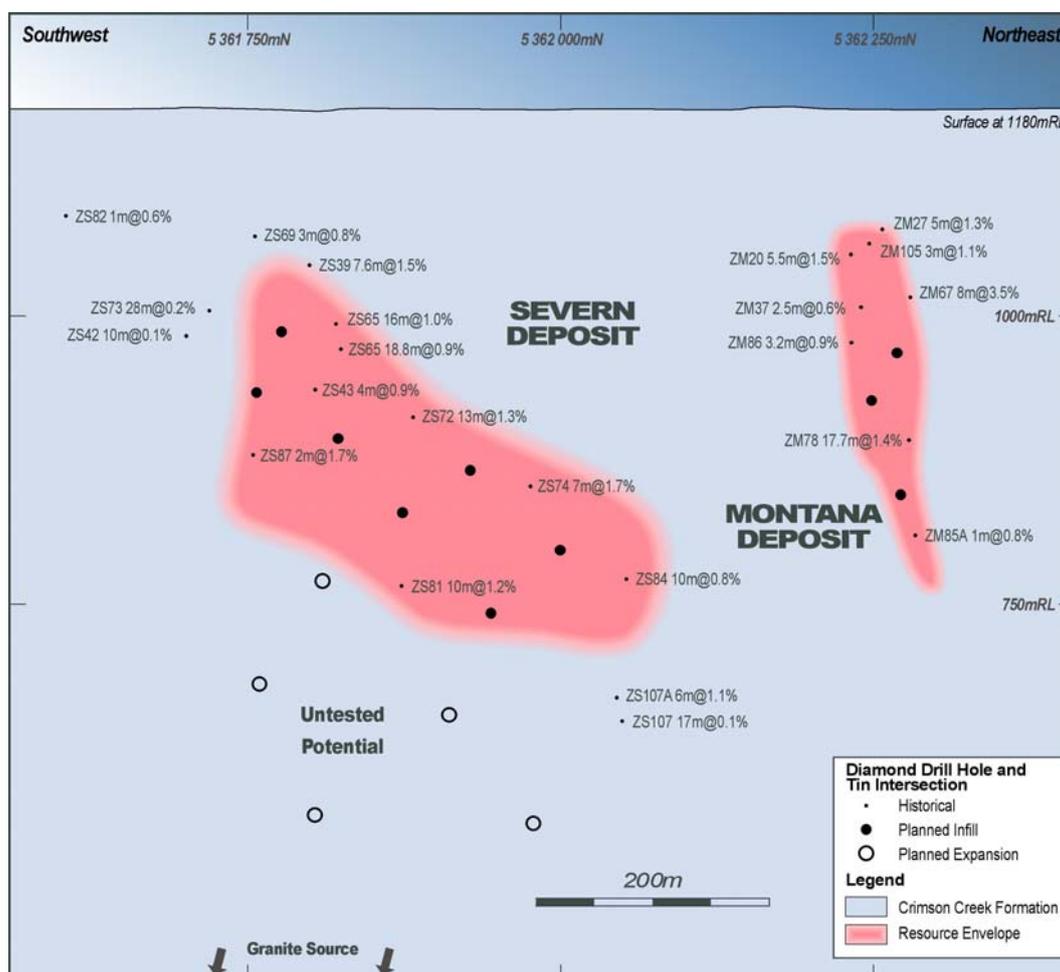


Figure 1 Schematic Long-section Severn and Montana (oblique section) Tin Deposits

Exploration Potential

Renison Bell is Australia’s oldest and largest tin mine. It has produced more than 200,000 tonnes of tin from multiple deposits, many of which were discovered during the mine’s history. By comparison Heemskirk is in a similar geological environment 18 kilometres to the southwest and has a mineral resource of 48,000 tonnes of tin.

Recent exploration at Renison Bell has shown that tin grade and coarseness increases with depth, closer to the granite source. In Figure 2, the Heemskirk deposits are superimposed on a schematic long section of the Renison Bell mine. This comparison highlights a similar distribution of ore lodes between the two deposits and the potential for further exploration to upgrade the size of the Heemskirk resources, both along strike and at depth where so far exploration has been minimal. The comparison also highlights the 600m zone between the base of drilling at Severn and the deeper granite source rocks which will be targeted by the first round of drilling.

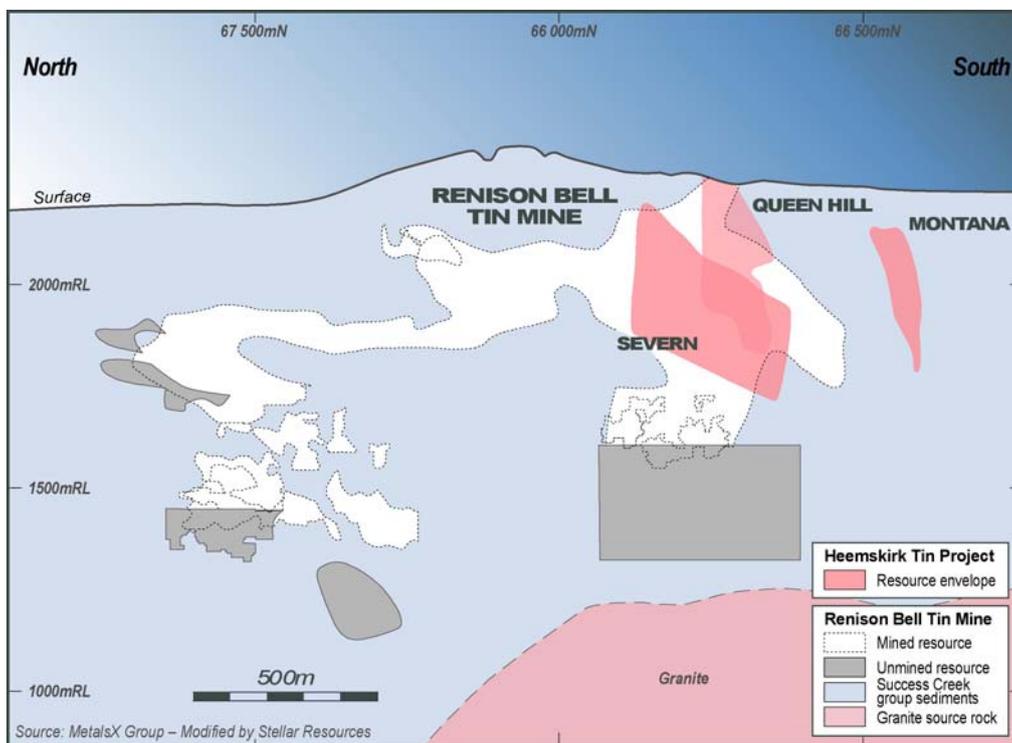


Figure 2 Schematic Comparison of Heemskirk Tin and Renison Bell Tin Mine Long-sections

Competent Persons Statement – Exploration

The drill and exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr R K Hazeldene (Member of the Australasian Institute of Mining and Metallurgy and Member of the Australian Institute of Geoscientists) who is a Consultant of the Company. Mr Hazeldene 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 Hazeldene 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.

Background

The Heemskirk Tin Project is located near Zeehan on Tasmania's West Coast in an area well serviced by power, water, transport, mining and other infrastructure. Stellar holds 100% of the project and also owns 100% of the nearby St Dizier tin deposit.



Figure 3: Location of the Heemskirk Tin Project

Drilling by Gippsland Limited in the 1970s and subsequently Aberfoyle Limited during the 1980s identified three tin deposits; Queen Hill, Montana and Severn. In 2010, Stellar added to the substantial drilling database with 6 holes into the near surface Queen Hill deposit. The Stellar results confirmed the high grade nature of the mineralisation and provided fresh samples for metallurgical testing. The Mineral Resource estimate following is based on historical drilling and Stellar's more recent drill results.

Deposit	Indicated		Inferred			Total			
	kt	% Sn	kt Sn	kt	% Sn	kt Sn	kt	% Sn	kt Sn
Queen Hill	1,600	1.2	19				1,600	1.2	19
Montana				360	1.6	6	360	1.6	6
Severn				2,400	0.9	23	2,400	0.9	23
Total	1,600	1.2	19	2,760	1.0	29	4,360	1.1	48

cut-off grade 0.6% tin

estimated on 3 March 2011 by Mining One Pty Ltd

Competent Persons Statement – Heemskirk Mineral Resource

The information in this report that relates to Mineral Resources is based on information compiled by Michael McKeown who is a fellow of the Australasian Institute of Mining and Metallurgy. Michael McKeown is employed by Mining One Pty Ltd and he has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC Code). Michael McKeown consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

For further details please contact:

Peter Blight

CEO

Tel: 03 9618 2540

Email: peter.blight@stellarresources.com.au

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